Supreme Court, U.S.
FILED

Case No. 00 1296 FEB 7 - 2001

OFFICE OF THE CLERK

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 2000

HUNT MANUFACTURING CO.,

Petitioner,

v.

FISKARS, INC. and FISKARS OY AB,

Repondents.

On Petition For a Writ of Certiorari to The
United States Court of Appeals
For the Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

Gary A. Hecht
Counsel of Record
Joseph F. Posillico
Mark D. Simpson
SYNNESTVEDT & LECHNER LLP
2600 ARAMARK Tower
1101 Market Street
Philadelphia, PA 19107
Telephone: (215) 923-4466
Attorneys for Petitioner

---

82 pp

QUESTIONS PRESENTED

1. Whether prosecution history estoppel applies, as a matter of law, to a patent claim amendment when the district court's uncontested factual finding is that the evidence, both intrinsic and extrinsic, fails to explain why the claim amendment was made.

2. Whether, in view of the Court of Appeals en banc decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 234 F.3d 558 (Fed. Cir. 2000), it is an error of law for a court to hold that a claim amendment, made in response to a prior art rejection, does not create prosecution history estoppel based exclusively on a conclusion that the added claim element does not distinguish the prior art.

PARTIES TO THE PROCEEDING

Pursuant to Rule 29.6, Hunt states that it has no parent company and no domestic non-wholly owned subsidiaries with publicly traded shares.

Joseph F. Posillico, Esq. was a party appellant in the case below on an issue unrelated to this petition.

TABLE OF CONTENTS

	Page
QUESTIONS PRESENTED	i
PARTIES TO THE PROCEEDING	ii
TABLE OF AUTHORITIES	iv
OPINIONS BELOW	2
JURISDICTION	2
STATEMENT	2
A. Devices at Issue	2
B. Prosecution of Respondent's Patent	3
C. District Court Proceedings	4
D. Court of Appeals Decision	6
REASONS FOR GRANTING THE WRIT	7
I. Certiorari Is Necessary to Confirm That the *Warner-Jenkinson* Presumption Is Mandatory When the Reason for the Amendment Remains Unknown	7
II. The Panel Decision Is Contrary to the Federal Circuit's En Banc Decision In *Festo*	15
CONCLUSION	18

TABLE OF AUTHORITIES

Cases — Page

Celeco Indus., Inc. v. United States Int'l Trade Comm'n, 573 F.2d 1247, 1258 (C.C.P.A. 1978) 13

Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd., 234 F.3d 558 (Fed. Cir. 2000).....*passim*

Warner-Jenkinson Co. v. Hilton Davis Chemical Co., 520 U.S. 17 (1997).....*passim*

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 2000

HUNT MANUFACTURING CO.,

Petitioner,

v.

FISKARS, INC. and FISKARS OY AB,

Repondents.

On Petition For a Writ of Certiorari to The
United States Court of Appeals
For the Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

Petitioner Hunt Manufacturing Co. ("Hunt") respectfully prays that this Court issue a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit, dated July 24, 2000. The question presented is a purely legal one. Because the Court of Appeals' decision is so clearly erroneous, this case is appropriate for summary reversal. At a minimum, the decision should be vacated and remanded for further proceedings in view of the Federal Circuit's subsequent en banc decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 234 F.3d 558 (Fed. Cir. 2000).

OPINIONS BELOW

The opinion of the Court of Appeals (App.1a - 20a) is reported at 221 F.3d 1318 (hereinafter "the Panel Decision"). The opinion of the district court on summary judgment (App. 21a - 54a) is not reported.

JURISDICTION

The judgment of the court of appeals was entered on July 24, 2000. (App. 1a). A timely petition for rehearing was denied on October 10, 2000. App. 57a - 58a. On October 16, 2000, the Chief Justice extended the time within which to file a petition for writ of certiorari to and including February 7, 2001. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254 (1).

STATEMENT

A. The Devices at Issue

Hunt and Fiskars, Inc. ("Fiskars") compete in the field of manually operated paper cutting devices. Both Hunt and Fiskars manufacture a cutter having a thin, disc-shaped blade which is pressed against the paper and allowed to rotate as it cuts. App. 21a - 22a. Such cutters are referred to as "rotary cutters."

In both Hunt's and Fiskars' cutters, the blade is held perpendicular to the paper and allowed to rotate on an axle housed in a carriage as the carriage is manually pulled by the user across the paper. The carriage slides along a rail positioned above the paper. *Id.*

Both devices hold the cutting blade in a position above

the paper when the cutter is not in use. The present dispute arises on account of the different mechanisms used to keep the blade above the paper.

Fiskars' device uses a spring between the carriage and the rail to keep the entire carriage assembly above the paper. App. 26a; *see also* App. 2a - 3a. A person uses Fiskars' device by pushing the entire carriage assembly down onto the paper (compressing the spring) and then pulling the carriage along the rail to cut the paper. App. 26a; *see also* App. 2a - 3a. The axle and blade of Fiskars' cutter do not move up or down within the carriage; only the carriage moves up and down. App. 26a; *see also* App. 2a - 3a.

Hunt's device uses a carriage which does not move up or down. Instead, the axle is allowed to move up and down inside the carriage. App. 29a - 31a ; *see also* App. 4a -5a. A spring keeps the axle and the blade in the carriage and above the paper when the device is not in use. App. 29a - 31a. A person using Hunt's cutter presses down on a handle attached to the axle to expose the blade and to press it against the paper. *Id.* The blade retracts back into the carriage when the user releases the handle. *Id.*

B. Prosecution of Respondent's Patent

Fiskars' initial efforts to obtain a patent met with rejection at the U.S. Patent and Trademark Office (PTO). Claim 1 as originally filed covered any cutting device which had a spring-type mechanism for keeping the cutting blade above the paper. App. 33a - 36a. The PTO Examiner

concluded that the claim was not patentable over the prior art. *Id.*

The primary basis for the Examiner's rejection was the prior art "Mori patent." *Id.* The Mori patent disclosed a carriage assembly which did not move up or down on the support arm, but which did have a blade that moved up and down within the carriage. *Id.* at 31a - 32a.

Fiskars responded to the PTO rejection by replacing the claim's original requirement of a spring-type device for holding the "**cutting blade** to an inoperative position" with the narrower requirement of a spring-type device for holding the "**carriage assembly** to an inoperative position." *Id.* at 36a (emphasis added). In the remarks accompanying the amendment, Fiskars noted that claim 1, as amended, called for a "carriage assembly . . . which is biased to an inoperative position on the rail assembly." *Id.* at 59a (page A0257, ll. 18 - 20 from the prosecution history of the Fiskars patent).

C. District Court Proceedings

Prior to trial, Hunt moved for summary judgment that the Hunt device did not infringe the Fiskars patent, either literally or under the doctrine of equivalents. App. 21a.

The district court held that the Hunt device did not have any mechanism to hold the entire carriage assembly off the paper and that therefore it did not literally infringe the Fiskars' patent.[1] App. 46a - 47a. This judgment was not appealed by

---

[1] The district court ruled on literal infringement only with respect to claims 8 and 9 because Fiskars had withdrawn all

Fiskars. App. 5a.

With respect to the doctrine of equivalents, Hunt had sought summary judgment that prosecution history estoppel barred infringement. The district court denied this aspect of Hunt's motion.

In considering Hunt's summary judgment motion, the district court evaluated the prosecution history of the Fiskars patent and concluded that "[t]his patent history gives no indication why plaintiffs amended claim 1 by substituting 'carriage assembly' for 'cutting blade.'" App. 50a. Furthermore, after evaluating the extrinsic evidence submitted by Fiskars, the district court observed an "inability" on Fiskars' part to "to demonstrate exactly why they adopted this amendment . . . ." App. 52a.

Hunt argued that, according to the ruling of this Court in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997), such an unexplained amendment gives rise, as a matter of law, to a presumption that the amendment was made for a purpose relating to patentability. Although the district court acknowledged this Court's ruling, it expressly refused to presume that the amendment was made for a purpose relating to patentability:

> Because the patent record provides no explanation for the amendment, defendant contends that estoppel should be presumed under Warner-Jenkinson. I am not so certain. . . .
>
> It is questionable whether the presumption

---

other allegations of literal infringement. App. 40a.

> should be triggered by an amendment so detached from the objections of the patent examiner as is the case here.

App. 51a.

With these comments, the district court refused to apply the presumption mandated by this Court in *Warner-Jenkinson*.

Furthermore, the district court ignored this Court's ruling on the type of proof required to rebut the presumption. The district court held that the presumption, even if it did exist, was rebutted by the court's finding that the amendment "did not relate to patentability," notwithstanding that the patentee could provide no affirmative reason why the amendment was made. App. 51a - 52a.

The issue of infringement under the doctrine of equivalents was then tried to a jury. The verdict was for Fiskars, and the court entered judgment on the verdict.

D. Court of Appeals Decision

On appeal, a three judge panel of the Federal Circuit affirmed the district court's rulings. App. 1a - 20a. After repeating the arguments made by the parties to the district court (App. 5a - 6a), the Panel devoted only two paragraphs to addressing the question of prosecution history estoppel respecting the carriage assembly amendments, stating "[w]e discern no reversible error in the district court's conclusion." App. 6a - 7a.

REASONS FOR GRANTING THE WRIT

I. Certiorari Is Necessary to Confirm That the *Warner-Jenkinson* Presumption Is Mandatory When the Reason for the Amendment Remains Unknown

This is not an ordinary patent case. It involves the refusal of the Federal Circuit to follow Supreme Court precedent on one of the most fundamental questions of patent law: how far beyond its literal scope can a patent reach to provide protection against infringement? This Court in *Warner-Jenkinson* answered this question by crafting a carefully balanced analytical framework which gives effect to "the definitional and public-notice functions of the statutory claiming requirement" when infringement is asserted under the doctrine of equivalents. *Warner-Jenkinson*, 520 U.S. at 29.

Twenty years of Federal Circuit jurisprudence have highlighted the importance of the public-notice function of the statutory claiming requirement. As stated by the Federal Circuit majority in *Festo*:

> Our decision to reject the flexible bar approach adopted in [prior precedent] comes after nearly twenty years of experience in performing our role as the sole court of appeals for patent matters. In those years, the notice function of patent claims has become paramount, and the need for certainty as to the scope of patent protection has been emphasized.

Festo, 234 F.3d at 574 - 75.

The doctrine of prosecution history estoppel, when properly applied, serves the important function of protecting

the definitional and public-notice aspects of the patent law from an over-expansion of the doctrine of equivalents. *Festo*, 234 F.3d at 564 ("[p]rosecution history estoppel is one tool that prevents the doctrine of equivalents from vitiating the notice function of claims").

It is clear, therefore, that this Court constructed the analytical framework in *Warner-Jenkinson* as an answer to "the problem of . . . what to do in a case like the one at bar, where the record seems not to reveal the reason for including [the claim limitation added by amendment]." *Warner-Jenkinson*, 520 U.S. at 33. This Court solved the problem of unexplained amendments by imposing burdens on the patentee and requiring the court to make certain presumptions if those burdens are not met. More particularly, this Court held:

> Mindful that claims do indeed serve both a definitional and a notice function, we think the better rule is to place the burden on the patent holder to establish **the reason for an amendment** required during patent prosecution. The court then would decide whether **that reason** is sufficient to overcome prosecution history estoppel as a bar to application of the doctrine of equivalents to the element added by that amendment. Where no **explanation** is established, however, the court should presume that the patent applicant had a substantial reason related to patentability for including the limiting element added by amendment. In those circumstances, prosecution history estoppel would bar the application of the doctrine of equivalents as to that element. The presumption

> we have described, one subject to rebuttal if **an appropriate reason** for a required amendment is established, gives proper deference to the role of claims in defining an invention and providing public notice, and to the primacy of the PTO in ensuring that the claims allowed cover only subject matter that is properly patentable in a proffered patent application.

Id. at 33 - 34 (emphasis added).

The Supreme Court thus established that all conclusions concerning the scope of prosecution history estoppel should be based on an understanding by the court of the reason for the amendment. Because the patentee is clearly in the best position to provide this understanding, this Court placed the burden of explaining amendments squarely on the patentee. The *Warner-Jenkinson* presumption, if properly applied, ensures that the consequences of an ambiguity fall on the patentee, who is in a position to prevent the ambiguity, and not on members of the public, who must rely on the record made by the patentee to determine the reason for an amendment.

If a patentee is unable to provide a viable reason for the amendment, then the court is not in any position to assess whether the reason "is sufficient to overcome prosecution history estoppel." *Id.* Therefore, if the reason for an amendment remains unknown, then the presumption of a reason relating to patentability is unrebutted and prosecution history estoppel applies as a matter of law.

This Court's instructions regarding the presumption were effectively ignored by both the district court and the Federal Circuit. After considering the prosecution history of the

Fiskars patent and the inventor's litigation-induced explanation for the amendment, the district court unequivocally held that Fiskars was "unable to come up with evidence explaining why they amended claim 1 by substituting 'carriage assembly' for 'cutting blade.'" App. 52a. Fiskars did not ask the Federal Circuit to review this finding, and the Federal Circuit did not do so.

Since the carriage assembly amendment remains unexplained, this Court's ruling in *Warner-Jenkinson* permits only one result - application of the doctrine of prosecution history estoppel. The Federal Circuit's refusal to apply the presumption is clearly erroneous.

The Federal Circuit clearly understood this Court's decision in *Warner-Jenkinson* to require evidence of "an appropriate reason for the required amendment" in order to rebut the presumption of patentable purpose. App. 7a. Nevertheless, the Panel's decision used a perceived **absence of a reason** for the amendment as an acceptable substitute for evidence of "an appropriate reason."

The Panel's approach has been rejected by this Court. The Panel Decision is based on the premise that the **absence** of a reason is equivalent to finding "an appropriate reason" for the amendment. This premise was expressly rejected by this Court:

> In our view, holding that certain reasons for a claim amendment may avoid the application of prosecution history estoppel is not tantamount to holding that the *absence* of a reason for an amendment may similarly avoid such an estoppel.

Warner-Jenkinson, 520 U.S. at 33 (emphasis in original).

The Supreme Court's rejection of the approach taken by the Appeals Court is absolutely necessary if the Supreme Court's ruling is to have meaning. In *Warner-Jenkinson*, the Court considered a claim that had been amended to require a pH of "approximately 6.0 to 9.0." *Id.* at 32. The Court concluded that "the reason for adding the lower limit of 6.0 is unclear," noting that:

> The lower limit certainly did not serve to distinguish the Booth patent, which said nothing about pH levels below 6.0.

Id.

Precisely because the amendment did not "serve to distinguish" the prior art, the "case at bar" in *Warner-Jenkinson* was one of those cases in which the reason for the amendment was not revealed by the prosecution history record. The Supreme Court's ruling was clear - in such a case the amendment is presumed to have been made for a purpose relating to patentability. The *Warner-Jenkinson* presumption thus arises from the fact that the claim amendment had no apparent purpose, including an apparent inability to distinguish the claims over the prior art cited by the Examiner.

The Federal Circuit's purported justification for not applying prosecution history estoppel in the present case is logically inconsistent with the premise of the *Warner-Jenkinson* decision. The district court and the Federal Circuit held that the presumption could be rebutted by the same fact that gave rise to the *Warner-Jenkinson* presumption in the first place.

The Federal Circuit affirmed the district court's decision as follows:

> The district court found that the amendment

> substituting "carriage assembly" for "cutting blade" was not directed to distinguishing the claims from the cited references, and thus that the amendment was not made for reasons of patentability. *See Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 33, 117 S.Ct. 1040, 137 L.Ed.2d 146, 41 USPQ2d 1865, 1873 (1997) (the presumption that an amendment was made for reasons of patentability is "subject to rebuttal if an appropriate reason for a required amendment is established.") We discern no reversible error in the district court's conclusion.

App. 6a - 7a. Thus, the Federal Circuit held that the presumption of patentable purpose was rebutted by the fact that the claim amendment did not distinguish the prior art. This was precisely the same fact that caused this Court to create the *Warner-Jenkinson* presumption.

This result, if allowed to stand, would be a death knell to a consistent and predictable application of the *Warner-Jenkinson* presumption. The Supreme Court held that the presumption was subject to rebuttal by evidence of "an appropriate reason" for the amendment. *Warner-Jenkinson*, 520 U.S. at 33. It would be inimical to the purpose of the rule to allow the presumption to be rebutted by the very same fact which gave rise to the presumption in the first place. The law of prosecution history estoppel should not be allowed to exist in such a confused state.

As this Court has recognized, the doctrine of prosecution history estoppel serves the important role of ensuring that the doctrine of equivalents does not negate the

public-notice policies of the patent statute. The Federal Circuit's decision, if allowed to stand, would do substantial harm to the public-notice function of statutory claiming.

In order to ensure that a new product resides in a safe harbor relative to the patents of others, competitor's operating under the Supreme Court's framework would attempt to determine what subject matter was surrendered by a patent applicant by looking to the reason an amendment was made. The premise of this evaluation is that patent applicants, like all other rational persons, take actions for a reason. The Supreme Court's framework focuses on a search for a reason for the amendment based on the simple premise that such a reason must exist.[2] This reason for the amendment would then provide a logical basis for determining the bounds of the safe harbor.

The identification of the safe harbor is of critical importance to the design of new products which can properly compete with the patented device. Such design-around activity has long been held to be a primary benefit of the patent system in this country.

Under the analysis used in the Panel Decision, however, competitors would have to confront a world in which amendments are made without any apparent purpose. No

---

[2] The Federal Circuit's predecessor court recognized that "applicant's ultimate goal in submitting amendments and arguments in support thereof is the securing of a patent . . .") *Celeco Indus., Inc. v. United States Int'l Trade Comm'n*, 573 F.2d 1247, 1258 (C.C.P.A. 1978) (prosecution history estoppel can be created by admission as well as by amendment).

valuable guidance for the real world can be derived from an analysis which permits such an unrealistic result.

Moreover, the approach used in the Panel Decision will encourage ambiguity in patent prosecution; in contrast, a strict adherence to the Supreme Court's approach will discourage ambiguity in patent prosecution and serve to enhance the public-notice function of statutory claiming. This contrast in result derives from the fact that patent applicants are uniquely suited to make the reason for their amendments known at the time the amendment is made.

If a patent applicant is aware that an unexplained amendment will be presumed to create an estoppel (as with the holding *in Warner-Jenkinson*), then the applicant has no reason to leave the amendment unexplained. On the other hand, if the approach used in the Panel Decision is allowed to stand, a patent applicant will benefit from an ambiguous record which hides the true purpose of an amendment. By creating an ambiguous record, a patent applicant would preserve the option of arguing during litigation that the unexplained amendment did not have a purpose relating to patentability, thereby avoiding prosecution history estoppel.

The Panel Decision would effectively eviscerate the *Warner-Jenkinson* presumption and visit devastating harm on the delicate balance of competing policies carefully accommodated by the Supreme Court's analytical framework. For this reason alone, certiorari should be granted.

II. The Panel Decision is Contrary to the Federal Circuit's En Banc Decision in *Festo*

The Panel Decision refuses to apply prosecution history estoppel to the carriage assembly amendment based on a definition of "patentability" that has since been expressly overruled by the Federal Circuit's en banc decision in *Festo*. In *Festo*, the Federal Circuit answered five questions concerning the doctrine of equivalents and prosecution history estoppel. Questions 1, which is relevant here, is reproduced below:

> 1. For the purposes of determining whether an amendment to a claim creates prosecution history estoppel, is "a substantial reason related to patentability," *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 33, 117 S.Ct. 1040, 137 L.Ed.2d 146 (1997), limited to those amendments made to overcome prior art under §§ 102 and §§ 103, or does "patentability" mean any reason affecting the issuance of a patent?"

Festo 234 F.3d at 563. The Federal Circuit majority answered this question as follows:

> For the purposes of determining whether an amendment gives rise to prosecution history estoppel, "a substantial reason related to patentability" is not limited to overcoming or avoiding prior art, but instead includes *any* reason which relates to the statutory requirements for a patent. Therefore, a narrowing amendment made for any reason related to the statutory requirements for a patent

> will give rise to prosecution history estoppel with respect to the amended claim element.

Id. at 566 (emphasis in original).[3]

The Panel Decision cannot stand in view of the Federal Circuit's en banc answer to question 1. The majority in *Festo* explained that the patent statute has many provisions, and that prosecution history estoppel will arise from an amendment that addresses any one of these provisions. The Panel Decision, even if it were otherwise consistent with *Warner-Jenkinson*, still would be clearly erroneous because it assumes that prosecution history estoppel can only arise from an amendment made to distinguish the prior art.

The Panel Decision justified its refusal to apply the *Warner-Jenkinson* presumption on the faulty premise that an amendment can have a reason relating to patentability **only** if it serves to distinguish the claim from the prior art. The Panel Decision upheld the district court's conclusion that "the amendment was not made for reasons of patentability" based exclusively on the finding that the carriage assembly amendment "was not directed to distinguishing the claims from the cited references." App. 6a - 7a. This reasoning can not

---

3

In addition to the majority opinion, the Federal Circuit's en banc review produced two concurring opinions (Plager and Lourie) and four opinions concurring-in-part and dissenting in part (Michel (joined by Rader); Rader; Linn (joined by Rader); and Newman). Only the Newman opinion is in dissent respecting en banc question one.

stand in view of *Festo*.

Even if this Court had not already rejected in *Warner-Jenkinson* the Panel's premise that the absence of a reason relating to patentability is equivalent to a reason not relating to patentability, the Panel's decision would have to go much farther than it did to rebut the presumption of patentable purpose. The Panel's decision did not address any of the other possible patentability reasons for which that the amendment might have been made. The majority in *Festo* identified some of these additional reasons as follows:

> [T]here are a number of statutory requirements that must be satisfied before a valid patent can issue and that thus relate to patentability. In addition to satisfying the novelty and non-obviousness requirements of 35 U.S.C. §§ 102 and 103, 35 U.S.C.A. §§ 102, 103 (West 1994 & Supp.2000), the claims must be directed to patentable subject matter and the claimed invention must be useful, as set forth in 35 U.S.C. § 101 (1994). Additionally, the first paragraph of 35 U.S.C. § 112 requires that the patent specification describe, enable, and set forth the best mode of carrying out the invention, 35 U.S.C. § 112, ¶ 1 (1994), while the second paragraph of section 112 requires that the claims set forth the subject matter that the applicant regards as his invention and that the claims particularly point out and distinctly define the invention, 35 U.S.C. §§ 112, ¶ 2 (1994). The Patent Office will reject a patent application that fails to satisfy any one of these statutory requirements. *See* Man. Pat. Exam. P. 2100-1 to -173 (7th ed. rev. 1 1998). And any

> one of these requirements may be a ground for invalidating an issued patent. E.g., 35 U.S.C. § 282 (1994). An amendment related to any of these statutory requirements is an amendment made for "a substantial reason related to patentability."

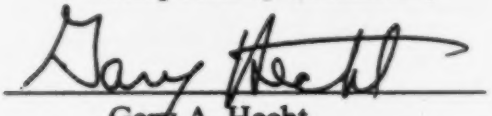
Festo, 234 F.3d at 566 - 67 (citations to case authority omitted).

Thus, even if the absence of a reason were equivalent to a reason, the Panel Decision would need to be vacated and remanded, with instructions to establish whether the amendment was not made for "*any* reason which relates to the statutory requirements for a patent." *Id.* at 566. (emphasis in original).

CONCLUSION

For the foregoing reasons, this petition for certiorari should be granted. Because the Panel Decision is so clearly erroneous, summary reversal is appropriate.

Respectfully submitted,



Gary A. Hecht
Counsel of Record
Joseph F. Posillico
Mark D. Simpson
Synnestvedt & Lechner LLP
2600 ARAMARK Tower
1101 Market Street
Philadelphia, PA 19107-2950
(215) 923-4466

Dated: February 7, 2001

(Cite as: 221 F.3d 1318)

United States Court of Appeals,
Federal Circuit.

FISKARS, INC. and Fiskars Oy AB, Plaintiffs-Appellees,
v.
HUNT MANUFACTURING CO., Defendant-Appellant,
and
Joseph F. Posillico, Sanctioned Party-Appellant.

Nos. 98-1560, 98-1566.

July 24, 2000.
Rehearing and Rehearing En Banc Denied Oct. 10, 2000.

(Cite as: 221 F.3d 1318, *1319) David J. Harth, Foley & Lardner, of Madison, Wisconsin, argued for plaintiffs-appellees. With him on the brief were Joan L. Eads, Anat Hakim, and Nancy Y.T. Hanewicz. Of counsel was Jefferson Perkins.

Joseph F. Posillico, Synnestvedt & Lechner, LLP, of Philadelphia, Pennsylvania, argued for defendant-appellant and sanctioned party-appellant. With him on the brief were Mark D. Simpson, and Gary A. Hecht.

Before NEWMAN, RADER, and SCHALL, Circuit Judges.

PAULINE NEWMAN, Circuit Judge.

Hunt Manufacturing Co. (Hunt) appeals the judgment of the United States District Court for the Western District of Wisconsin, [FN1] entered upon a jury verdict of infringement, under the doctrine of equivalents, of United States Patent No. 5,322,001 (the '001 or Fiskars patent) entitled "Paper Cutter

with Circular Blades," owned by Fiskars Oy AB and Fiskars, Inc. (together "Fiskars"). Hunt also appeals the district court's determination that there was not inequitable conduct in the United States Patent and Trademark Office. Hunt and its counsel Joseph F. Posillico appeal the ruling that Mr. Posillico had vexatiously and unreasonably multiplied the proceedings on the issue of inequitable conduct, thereby incurring liability for Fiskars' litigation costs on that issue.

> FN1. Fiskars, Inc. v. Hunt Mfg. Co., No. 97-C-0255-C (W.D.Wis. Aug. 4, 1998).

The judgment is affirmed.

BACKGROUND

The '001 patent is directed to a circular-blade paper cutter, illustrated in patent Figure 1:

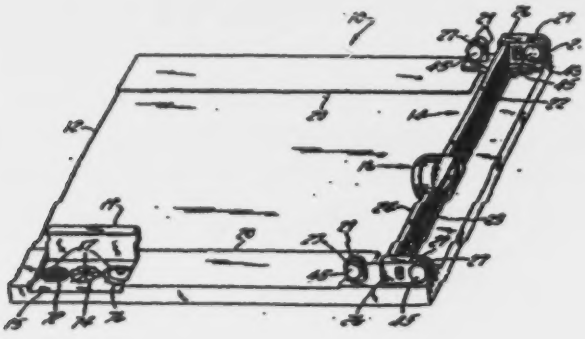


FIG. 1

In contrast with guillotine-type paper cutters which employ a long blade that pivots at one end, the patented cutter has a circular blade 18 enclosed in a carriage assembly 16 that rides

along a rail 14. The rail is secured to the cutting board at both ends by pivots 27 which allow the rail to be raised for insertion of the paper. The blade assembly is biased upwardly by springs 48, as seen in the detailed drawings of the carriage assembly in patent Figures 5 and 6:

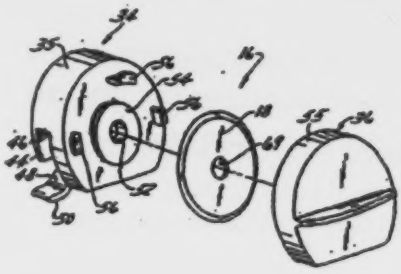


FIG. 5

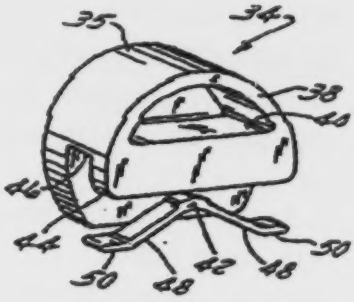


FIG. 6

To cut the paper the carriage assembly enclosing the blade is pressed down and drawn along the rail. When the pressure is released the biasing springs return the carriage assembly and blade to an inoperative position, preventing accidental cuts of paper or operator.

Claims 1 and 8 are representative, with paragraphing and emphases added to show the terms at issue with respect to infringement under the doctrine of equivalents:

1. A cutting board assembly for cutting or trimming paper sheets, said assembly comprising
[a] a cutting board,
[b] a pair of posts mounted on said cutting board,
[c] a rail assembly pivotally mounted on said posts in a parallel relation to said cutting board,
[d] a carriage assembly mounted on said rail assembly for

movement across the cutting board,
[e] a circular cutting blade mounted for rotary motion in said carriage assembly,
[f] means for biasing said carriage assembly to an inoperative position on said rail assembly, said biasing means comprises a pair of leaf springs mounted on said carriage assembly for biasing said carriage assembly to an inoperative position on said rail assembly
[g] whereby said carriage assembly must be moved from said inoperative position to an operative position on the rail assembly for cutting or trimming the paper sheets.

8. Apparatus for cutting sheet material comprising:
[a] a cutter board,
[b] a pair of pivot blocks mounted in a spaced relation on said cutter board,
[c] a rail assembly pivotally mounted on said pivot blocks for movement between operative and inoperative positions with respect to said board,
[d] a carriage assembly mounted on said rail assembly for translational movement across the board,
[e] said carriage assembly including a rotary cutting blade, and
[f] a spring assembly formed on said carriage assembly for biasing said carriage assembly to an inoperative position on said rail assembly
[g] whereby said cutting blade is activated by pressing said carriage assembly down and sliding said carriage assembly across said rail assembly.

The accused Hunt paper cutter, called the Heavy Duty Rotary 12 Paper Trimmer, differs in two ways from the Fiskars device that is described and claimed in the '001 patent. First, with respect to clause [e] of claims 1 and 8, in the Fiskars device the blade is mounted in the carriage assembly and the entire

carriage assembly is biased by a spring, whereas the Hunt circular blade is mounted in a sub-assembly that is biased by a spring within the carriage assembly. Second, clause [f] of claim 1 specifies a pair of leaf springs, and clause [f] of claim 8 does not specify the kind of spring but states that the spring assembly is "formed on" the carriage assembly; the Hunt device uses a free-standing coil spring.

Upon Fiskars' suit for patent infringement Hunt raised the defenses of non-infringement, patent invalidity, and unenforceability for inequitable conduct. The district court granted partial summary judgment that Hunt did not literally infringe the '001 patent; that ruling is not appealed. Hunt abandoned the defense of patent invalidity at the start of trial. The issue of infringement under the doctrine of equivalents was tried to a jury. The issue of inequitable conduct was tried to the court.

INFRINGEMENT

A. Prosecution History Estoppel

The district court determined before trial that prosecution history estoppel did not preclude Fiskars from asserting infringement under the doctrine of equivalents. Hunt states that the court erred in its rulings concerning estoppel.

1. The Carriage Assembly

Hunt argues that Fiskars is estopped from asserting equivalency between the biased carriage assembly of the claims and the biased sub-assembly of the Hunt device because during prosecution Fiskars amended the term "cutting blade" to "carriage assembly." Fiskars argues that any presumption that

the amendment was made for reasons of patentability was rebutted by evidence that this amendment was not made to overcome any cited reference: the inventor explained that this amendment was made to remove the unintended limitation of the claims to a cutting blade, for other blades such as perforating and scoring blades could also be used without change in the device.

Hunt also relies on United States Patents No. 5,069,097 to Mori and No. 3,301,117 to Spaulding, both of which are directed to paper cutters. The examiner had cited Mori for its showing of a cutting assembly using a circular blade but lacking a means of biasing the cutting blade to an inoperative position, and Spaulding for its showing of a cutting assembly with means for biasing non-circular blades to an inoperative position on a rail. The district court discussed these patents, and their role in the patentability of the Fiskars patent, in extensive detail. The court observed that Mori shows a circular cutting blade that is biased downward toward the paper to be cut, but does not show biasing the blade and carriage upward to an inoperative position as in the Fiskars patent; the court found that the Mori cutting blade is biased in the opposite direction for a different purpose.

Concerning Spaulding, the district court observed that Spaulding shows two non-circular blades protruding from the bottom of a carriage that rides on a rail that is upwardly biased by springs. In Spaulding downward pressure moves the rail and carriage assembly into contact with the paper, but when the cutter is not in use the blades protrude below the rail. By contrast, in the Fiskars device the carriage and blade, but not the rail, move to bring the blade into contact with the paper, such that when the cutter is not in use the blade does not protrude below the rail because both the carriage and the blade are biased upwardly.

The district court found that the amendment substituting

"carriage assembly" for "cutting blade" was not directed to distinguishing the claims from the cited references, and thus that the amendment was not made for reasons of patentability. See Warner-Jenkinson Co. v. Hilton Davis Chem. Co., 520 U.S. 17, 33, 117 S.Ct. 1040, 137 L.Ed.2d 146, 41 USPQ2d 1865, 1873 (1997) (the presumption that an amendment was made for reasons of patentability is "subject to rebuttal if an appropriate reason for a required amendment is established.") We discern no reversible error in the district court's conclusion. Thus the question of equivalency between these elements, the claimed biased assembly and the Hunt biased sub-assembly, was properly presented for jury determination.

2. The Biasing Spring

The Fiskars patent variously claims the biasing spring as "a pair of leaf springs" (claim 1), "a pair of spring blades" (claim 6), and "a spring assembly formed on the carriage assembly" (claim 8). The district court held that the prosecution history did not establish an estoppel against equivalency between the claimed biasing pair of leaf springs and the Hunt biasing coil spring, and presented the question of equivalency to the jury.

Hunt argues that all of the claims should be interpreted as limited to springs that are located "in the rail," and that any broader interpretation is estopped by the prosecution history. Only claim 10 states that the spring is located in the rail; claim 10 was not asserted against Hunt. Although no asserted claim requires that the spring is located in the rail, Hunt argues that this feature was emphasized during prosecution in order to distinguish the Spaulding and Mori references, and that the applicant deceived the examiner into thinking that all of the claims had been amended to include the limitation that appears in claim 10. The district court did not accept Hunt's position. We agree that estoppel did not arise from this assertion of

deception of the examiner, for the prosecution record clearly stated which claims were amended to add the limitation that the spring is in the rail, and the examiner thereafter allowed the claims. "[T]here is a presumption that public officers perform their duties correctly, fairly, in good faith, and in accordance with the law and governing regulations...." Haley v. Department of the Treasury, 977 F.2d 553, 558 (Fed.Cir.1992) (quoting United States v. Chemical Foundation, Inc., 272 U.S. 1, 14-15, 47 S.Ct. 1, 71 L.Ed. 131 (1926)).

The claims in suit were not amended to add the limitation of the spring in the rail. The district court correctly ruled that the claims in suit are not limited to a device wherein the spring is located in the rail, and that there is no estoppel against equivalency based on the location of the spring.

Hunt also argues that any infringing spring must perform the dual roles of biasing and supporting the blade assembly. Hunt cites Fiskars' argument during prosecution that the spring not only biases the blade but also supports the carriage on the rail, and states that the Hunt coil spring does not provide support for the carriage sub-assembly. Fiskars' expert testified that a spring that biases something in an upward direction necessarily supports it.

Fiskars points out that the only asserted claim that was amended to include a supporting as well as a biasing function was claim 6, and that claim 6 is the only asserted claim in which the support function was mentioned in prosecution argument. Although claim 6 may be subject to prosecution history estoppel as to this element, the other claims in suit are not. Claims whose allowance was not due to a particular argument are not subject to estoppel deriving from that argument. We agree with the district court that there was no estoppel barring the jury question of equivalency of the biasing

springs.

B. The Prior Art

Hunt argues that the burden of proof was misplaced as to whether a hypothetical claim covering the range of equivalents Fiskars was asserting would ensnare the prior art. Hunt does not argue that a hypothetical claim embracing its device would not be patentable; Hunt simply argues that Fiskars had the burden of presenting evidence and establishing that Hunt's device was not in the prior art, as part of its proof of infringement. Hunt states that the district court misplaced the burden of proof, thus requiring a new trial.

Hunt's theory is incorrect. It is an affirmative defense of the accused infringer to allege and to show that it is practicing the prior art. When the patentee has presented a prima facie case of infringement, the burden shifts to the accused infringer to come forward with evidence to establish this defense. See National Presto Indus., Inc. v. West Bend Co., 76 F.3d 1185, 1192, 37 USPQ2d 1685, 1689 (Fed.Cir.1996) ("When the patentee has made a prima facie case of infringement under the doctrine of equivalents, the burden of coming forward with evidence to show that the accused device is in the prior art is upon the accused infringer.") The patentee is not required to negate an affirmative defense that has not been pled and supported with evidence.

Hunt did not allege that its device is in the prior art, or that a hypothetical claim covering its device would be unpatentable. See Wilson Sporting Goods Co. v. David Geoffrey & Associates, 904 F.2d 677, 685, 14 USPQ2d 1942, 1949 (Fed.Cir.1990) (determining patentability of a hypothetical claim covering the accused device). Absent any evidence proffered by Hunt to show that its device was in the prior art,

there was nothing for Fiskars to rebut.

C. The Jury Verdicts

The question of infringement under the doctrine of equivalents was tried to a jury. For each claimed element for which equivalency was asserted, witnesses addressed the similarities and differences as to the substituted element, including the function, way, and result of each element. After three days of trial the jury found infringement of claims 1, 5, 6, and 8, and non- infringement of claims 2 and 9. On post-trial motions the district court upheld the verdicts, ruling that the jury's findings were supported by substantial evidence, and that a new trial was not warranted.

The jury's verdicts must be sustained if they are supported by substantial evidence upon the entirety of the record. See National Presto, 76 F.3d at 1190, 37 USPQ2d at 1687 (reviewing the trial proceedings "to ascertain whether there was substantial evidence whereby a reasonable jury could have reached the verdict that was reached"). Hunt argues that no reasonable jury could have found infringement by equivalency, pointing particularly to the differences between coil and leaf springs and arguing that these springs are not interchangeable as they are embodied in the accused and patented devices.

Interchangeability is indeed relevant to equivalency, and the subject of the springs and their function, the way the function was performed, and the result, were the subject of testimony and conflicting views at trial. We agree with the district court that a reasonable jury could have accepted the evidence presented by Fiskars that the Hunt device's coil spring performed substantially the same biasing and supporting function in substantially the same way, with substantially the same result, compared with the leaf springs of the Fiskars

device. The evidence of equivalency between the biased assembly and the biased sub-assembly was also substantial, and sufficient to support the verdict.

Hunt complains that the district court did not permit Hunt to present evidence to the jury of the separate patentability of its device. Since it is well established that separate patentability does not avoid equivalency as a matter of law, see Atlas Powder Co. v. E.I. du Pont De Nemours & Co., 750 F.2d 1569, 1580, 224 USPQ 409, 417 (Fed.Cir.1984) ("where defendant has appropriated the material features of the patent in suit, infringement will be found 'even when those features have been supplemented and modified to such an extent that the defendant may be entitled to a patent for the improvement.' "), we do not intrude upon the trial court's evidentiary ruling, see Kearns v. Chrysler Corp., 32 F.3d 1541, 1547, 31 USPQ2d 1746, 1750 (Fed.Cir.1994) (" 'The decision to admit or exclude evidence is within the sound discretion of the trial court and will be reversed on appeal only for a clear abuse of that discretion.' ") (quoting Smith & Lee Assocs., Inc. v. City of Taylor, Mich., 13 F.3d 920, 928 (6th Cir.1993)); Cooper v. Carl A. Nelson & Co., 211 F.3d 1008, 1018 (7th Cir.2000) ("When reviewing the district court's evidentiary decisions, we employ an abuse of discretion standard and consequently give great deference to the trial court.") The admission or exclusion of evidence not material to the issue of infringement is consigned to the discretion of the trial judge.

Hunt also states that if any individual element of the Hunt device is in the prior art, that element can not be deemed equivalent to any claimed element. That theory is incorrect. A claim to a mechanical device usually recites a combination of several elements, most or all of which may be separately known. See Rosemount, Inc. v. Beckman Instruments, Inc., 727 F.2d 1540, 1546, 221 USPQ 1, 7 (Fed.Cir.1984) ("a

combination may be patentable whether it be composed of elements all new, partly new, or all old"); Fromson v. Advance Offset Plate, Inc., 755 F.2d 1549, 1556 n. 3, 225 USPQ 26, 31 n. 3 (Fed.Cir.1985) ("Only God works from nothing. Men must work with old elements."). That an element of an accused device already existed does not bar equivalency as to that element. See Warner-Jenkinson, 520 U.S. at 25, 117 S.Ct. 1040, 41 USPQ2d at 1869 (known interchangeability of elements is evidence of equivalency) (citing Graver Tank & Mfg. Co. v. Linde Air Prods. Co., 339 U.S. 605, 70 S.Ct. 854, 94 L.Ed. 1097, 85 USPQ 328 (1950)).

The verdicts of infringement under the doctrine of equivalents were supported by substantial evidence and were in accordance with law, and the judgment entered thereon must be affirmed.

D. Damages

The jury awarded damages to Fiskars in the amounts of $114,760 for lost profits, $1,127,650 for past price erosion, and $1,856,552 for future price erosion. Hunt appeals the award as "speculative and contradictory."

On the issue of lost profits, Hunt does not appeal the calculation thereof. Instead, Hunt argued at trial, and again on appeal, that Fiskars would not have made the sales that Hunt made, and therefore is not entitled to damages based on those sales. Hunt stressed that ninety percent of its sales were made to the Staples chain of office supply stores, and argued that Staples prefers to deal with a single supplier who would provide a full line of paper cutters, linear as well as rotary, and that since Fiskars did not make a full line of paper cutters, Fiskars would not have made any sales of rotary paper cutters to Staples.

The evidence at trial was that no single supplier would have been able to provide a full line of paper cutters without infringing the Fiskars patent, for no non-infringing substitute was commercially available for Fiskars' rotary cutter. The district court, reviewing the evidence on post-trial motions, concluded that a reasonable jury could have found that Hunt's customer Staples would have purchased its supply of rotary cutters from Fiskars but for Hunt's infringement. We agree that there was substantial evidence supporting the verdict on this issue.

Hunt also challenges the damages verdicts based on price erosion. Evidence on this issue was presented by financial and marketing officers and accounting witnesses for both sides. Fiskars' damages expert testified as to the effect of Hunt's past infringement on Fiskars' prices, and the effect of this price erosion projected into the future. The witness applied the factors set forth in Panduit Corp. v. Stahlin Bros. Fibre Works, Inc., 575 F.2d 1152, 197 USPQ 726 (6th Cir.1978) and adopted by the Federal Circuit, see, e.g., Rite-Hite Corp. v. Kelley Co., 56 F.3d 1538, 1545, 35 USPQ2d 1065, 1069 (Fed.Cir.1995) (en banc).

Hunt argues that Fiskars' damages expert failed to take into account that Fiskars would have experienced fewer sales had it not reduced its prices in the face of Hunt's competing (infringing) device. Hunt also disputes the testimony that Fiskars' sales of rotary cutters would have grown at the rate of 10% in an industry that was growing overall at 1%. A witness from Fiskars' Marketing Department testified that Fiskars had experienced this growth rate in the sales of its rotary cutters and estimated the future growth rate, and testified concerning the price reductions Fiskars had been obliged to make in response to Hunt's infringing sales. Another Fiskars witness testified concerning the difficulty Fiskars would encounter in attempting

to reestablish its former prices after having reduced its prices in response to Hunt's infringing sales, and explained that Hunt's undercutting prices would lead to continuing price erosion, even after infringement had ceased. Hunt's witnesses disputed the conclusions of Fiskars' witnesses and presented contrary opinions.

On these conflicting positions and arguments, there was substantial evidence whereby a reasonable jury could have reached the damages verdicts here reached. See Brooktree Corp. v. Advanced Micro Devices, Inc., 977 F.2d 1555, 1579-80, 24 USPQ2d 1401, 1418-19 (Fed.Cir.1992) (the jury award of damages is upheld unless it is " 'grossly excessive or monstrous', clearly not supported by the evidence, or based only on speculation or guesswork") (quoting Los Angeles Memorial Coliseum Comm'n v. National Football League, 791 F.2d 1356, 1360 (9th Cir.1986)); Smith v. Rowe, 761 F.2d 360, 368 (7th Cir.1985) ("Damages assessed by a jury are largely discretionary with it.... To reverse the judgment of the trial court, the appellate court must conclude that the verdict was so 'gross' or 'monstrously excessive' that the trial court abused its discretion in permitting it to stand.") (quoting Galard v. Johnson, 504 F.2d 1198, 1200 (7th Cir.1974)).

Hunt also argues that the district court erred in refusing to strike Fiskars' entire damages case because Fiskars did not disclose early enough in the discovery process that it had made some sales to national chains such as Staples. The district court commented in its post-trial memorandum that it had offered to exclude this evidence from the damages trial, but that Hunt had declined the offer since the evidence was useful to Hunt by diminishing the significance of Hunt's infringing sales. The district court held that Hunt can not, on post trial motion, attack an evidentiary ruling that it requested, having been offered and rejected the ruling it now demands. The district

court's actions were within its discretion, and are sustained.

E. Other Challenged Rulings

Hunt argues that the district court erred in limiting Hunt's presentation at trial to the references that Hunt filed in accordance with 35 U.S.C. § 282 and the court's pre-trial rules and orders. The district court, denying Hunt's motion for a new trial on this ground, referred to Hunt's multiple flouting of the court's "deadlines for the completion of discovery, for the filing of expert reports, for the filing of dispositive motions and for disclosure of lay witnesses." The district court's orders concerning scheduling and expert reports were reasonable trial management, and will not be disturbed. See Abbott Labs. v. Brennan, 952 F.2d 1346, 1351, 21 USPQ2d 1192, 1196 (Fed.Cir.1991) ("It is improper on appeal to disturb a district court's trial management, absent a clear abuse of judicial discretion."); Hebert v. Lisle Corp., 99 F.3d 1109, 1114, 40 USPQ2d 1611, 1614 (Fed.Cir.1996) (same). We take note that despite these infractions the court granted Hunt a three-week continuance when, on the Thursday before trial, Hunt announced a newly discovered reference. This reference was then translated and admitted into evidence.

Hunt complains of other rulings, and argues that the district court "tramples on Hunt's due process rights." This argument is belied by the record. We discern no abuse of discretion in the district court's evidentiary rulings.

INEQUITABLE CONDUCT

Hunt raised the defense that the '001 patent is unenforceable due to inequitable conduct by Fiskars during prosecution in the Patent and Trademark Office.

A ruling of inequitable conduct in patent prosecution requires the threshold findings that the applicant withheld material information from the PTO during examination of the patent or submitted material false information, and that the applicant acted with the intent to deceive or mislead the examiner into granting the patent. These findings must be made by clear and convincing evidence. See Kingsdown Medical Consultants, Ltd. v. Hollister, Inc., 863 F.2d 867, 876, 9 USPQ2d 1384, 1392 (Fed.Cir.1988) (en banc). When both materiality and intent have been established, these facts are weighed to determine the ultimate question of inequitable conduct.

This issue was tried to the court as to the findings of underlying facts of materiality and intent, as well as the ultimate question of whether these facts constituted inequitable conduct. This procedure is within the district court's discretion, as explained in Hebert v. Lisle Corp., 99 F.3d 1109, 1114, 40 USPQ2d 1611, 1614 (Fed.Cir.1996), and on appellate review the district court's factual findings are reviewed for clear error while the ruling on the ultimate question is reviewed on the standard of abuse of discretion. See Modine Mfg. Co. v. Allen Group, Inc., 917 F.2d 538, 541, 16 USPQ2d 1622, 1624 (Fed.Cir.1990); Kingsdown, 863 F.2d at 876, 9 USPQ2d at 1392.

Hunt states that four material items were withheld from the PTO with the intent to deceive or mislead the examiner. The four items were three prior art paper cutters and a patent to Benavidez. Hunt concentrated its argument on a paper cutter called the "Maruzen device," which the inventor had seen at a trade show. The inventor testified that he considered this device to be the closest prior art.

The prosecution history shows a brochure describing the Maruzen paper cutter listed on PTO Form 1449 ("List of

References Cited by Applicant(s)") and submitted to the PTO. Although Hunt does not dispute that the Maruzen brochure was submitted to the PTO, Hunt argues that the examiner did not consider it, pointing to the line drawn through this listing on Form 1449. See Man. Pat. Exam. P. 609 (7th ed.1998) (directing an examiner to line through a reference that is not being considered) [FN2]. Hunt states that this placed on Fiskars the obligation to stress to the examiner the relevance of the Maruzen device. However, the earlier PTO requirement that the applicant explain the relevance of the references listed was removed in 1992. Hunt makes no argument that Fiskars otherwise wrongly withheld the brochure.

> FN2. MPEP 609 directs an examiner to line through, and not consider, a prior art reference when the requirements of 37 C.F.R. § 1.97 or § 1.98 have not been satisfied. Hunt has not argued that Fiskars failed to satisfy any of these requirements, and the examiner gave no reason for the action. Therefore, we do not address the status of a reference that was submitted to the PTO without satisfying 37 C.F.R. § 1.97 and § 1.98.

The district court held that when a reference was cited to the patent examiner it can not be deemed to have been withheld, citing Scripps Clinic & Research Found. v. Genentech, Inc., 927 F.2d 1565, 18 USPQ2d 1001 (Fed.Cir.1991). In Scripps the court held that inequitable conduct could not be based on an applicant's failure to cite a prior art reference, when the examiner independently cited the same reference. Hunt argues that the district court misread Scripps; we do not share Hunt's view. An applicant can not be guilty of inequitable conduct if the reference was cited to the examiner, whether or not it was a ground of rejection by the examiner. We do not know the examiner's reason for lining out the three cutters, but Fiskars' citation as prior art defeats Hunt's charge that the Maruzen

device was withheld with deceptive intent. An applicant is not required to tell the PTO twice about the same prior art, on pain of loss of the patent for inequitable conduct.

The district court held that Hunt failed to introduce any evidence of withholding of prior art material to patentability. In its brief, Hunt discusses the features of the three cutters that are now asserted to be material to patentability. However, as the court observed, there was no evidence at trial as to how these three references compared in relevance to the thirteen references considered and listed by the examiner. The district court's ruling that Hunt produced no evidence of withholding of material prior art is well supported by the record.

On the issue of intent, Hunt provided no evidence of intentional withholding of material prior art. Hunt cites Paragon Podiatry Lab., Inc. v. KLM Labs., Inc., 984 F.2d 1182, 25 USPQ2d 1561 (Fed.Cir.1993) for its observation that a "smoking gun" is "not always necessary," to establish intent to deceive. However, Paragon does not hold that there need be no evidence of culpable intent. In Paragon the affiants with "deliberate artfulness" swore that they were "not employed" by Paragon whereas they were owners or paid consultants of Paragon; this evidence was found to establish culpable intent. The court did not hold in Paragon that intent could be found without any factual basis. See, e.g., Goodyear Tire & Rubber Co. v. Hercules Tire & Rubber Co., 162 F.3d 1113, 1122 (Fed.Cir.1998) ("Both materiality and culpable intent are essential factual predicates of inequitable conduct, and each must be proved by clear and convincing evidence."); B.F. Goodrich Co. v. Aircraft Braking Systems Corp., 72 F.3d 1577, 1584, 37 USPQ2d 1314, 1319 (Fed.Cir.1996) ("One alleging inequitable conduct must prove the threshold elements of materiality and intent by clear and convincing evidence.")

We affirm the district court's ruling that the facts predicate to inequitable conduct were not established.

The district court deemed the inequitable conduct claim "so lacking in substance as to constitute a waste of the time and resources of all the participants." The court imposed sanctions on Hunt's counsel for "multiply [ing] the proceedings ... unreasonably and vexatiously," 28 U.S.C. § 1927 [FN3], and awarded Fiskars $8,582.50 of the attorney fees it incurred in defending against this charge.

> FN3. 28 U.S.C. § 1927. Counsel's liability for excessive costs
> Any attorney or other person admitted to conduct cases in any court of the United States or any Territory thereof who so multiplies the proceedings in any case unreasonably and vexatiously may be required by the court to satisfy personally the excess costs, expenses, and attorneys' fees reasonably incurred because of such conduct.

Hunt's counsel argues that the district court abused its discretion in imposing this sanction. He states that he presented a prima facie case of inequitable conduct, and that he did not act in bad faith. He argues that the inventor might have supported the charge of inequitable conduct had he been less credible or his testimony different, and that credibility could not be known until the inventor testified at the trial.

Even a generous view of the record from Hunt's position does not weaken the district court's observation that neither material withholding nor intent to deceive was supported with evidence sufficient to make a prima facie case. An applicant's citation of prior art in accordance with the rules of the PTO precludes a finding of withholding of that prior art with deceptive intent.

The Seventh Circuit makes clear that liability under § 1927 for unreasonable and vexatious prolongation of the proceedings does not require that the actions were taken in bad faith. See Knorr Brake Corp. v. Harbil, Inc., 738 F.2d 223, 226-27 (7th Cir.1984) ("This court has not required an express finding by the district court of subjective bad faith or intent to delay to support an award of fees under section 1927.") In the words of the district court, "[Hunt's] decision to pursue the counterclaim caused [Fiskars] to incur additional expenses, created extensive work for the court and cast a cloud over the integrity of the inventor and his original counsel." [FN4]

> FN4. The patent attorney who prosecuted the '001 patent was retired, had undergone surgery for cancer, and was suffering significant cognitive difficulties. As the district court observed from his deposition testimony, he could no longer remember any detail about his work on the application for the '001 patent, including "whether he ever met personally with Boda [the inventor]."

In matters of trial management and attorney discipline, marked deference is owed to the discretionary rulings of the judge conducting the trial. Abbott Labs. v. Brennan, 952 F.2d 1346, 1351, 21 USPQ2d 1192, 1196 (Fed.Cir.1991) ("It is improper on appeal to disturb a district court's trial management, absent a clear abuse of judicial discretion.") Absent a clear abuse of the trial judge's discretion, it is inappropriate for the appellate court to disturb a disciplinary action that is based on litigation conduct. Such abuse of discretion has not been shown. The sanction is affirmed.

AFFIRMED

IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF WISCONSIN

FISKARS, INC., a Wisconsin corporation,
and FISKARS OY AB, Helsinki, Finland,

OPINION AND ORDER

Plaintiffs,

97-C-255-C

v.

HUNT MANUFACTURING CO.,
a Pennsylvania corporation,

Defendant.

In this action for monetary and injunctive relief, plaintiffs assert that defendant has infringed United States Patent No. 5,322,001, of which plaintiff Fiskars Oy AB is the owner and plaintiff Fiskars, Inc. is the exclusive licensee. This case is before the court on defendant Hunt Manufacturing Co.'s motion for summary judgment, in which defendant contends that its device does not literally infringe the '001 patent and that the doctrine of prosecution history estoppel bars plaintiffs from asserting infringement under the doctrine of equivalents.

The accused device, defendant's "Heavy Duty Rotary 12" Paper Trimmer," is a product in which paper is cut by a

round blade that is housed in a carriage assembly, with a portion of the blade protruding from the bottom of the carriage assembly. The carriage assembly is mounted on and slides along a rail, which is attached to the cutting board. A user positions the paper to be cut under the rail and then depresses the top of the carriage assembly, referred to as the "handle/blade support" and to which the blade is attached, therefore pushing the blade down and into contact with the cutting surface. The user then slides the entire carriage assembly along the rail and across the paper, allowing the blade to cut the paper. When the carriage assembly is released, a helical spring located in the carriage assembly pushes the handle/blade support upward, lifting the blade to an inoperative position not in contact with the cutting surface.

Plaintiffs' '001 patent discloses a paper cutter with circular blades of the same variety as defendant's product. Plaintiffs assert that defendant's device literally infringes independent claim 8 of the '001 patent, which discloses, in pertinent part, "a spring assembly formed on said carriage assembly for biasing said carriage assembly to an inoperative position." Plaintiffs contend that the accused device infringes independent claims 1 and 6 under the doctrine of equivalents; these claims differ from claim 8 in that they disclose "a pair of leaf springs mounted on said carriage assembly" (claim 1) and "a pair of spring blades formed on said carriage assembly" (claim 6) as the means for biasing the carriage assembly to an inoperative position. Plaintiff asserts an additional literal infringement count under claim 9, which is dependent upon claim 8, and additional equivalent infringement counts under claims 2 and 5, which are dependent upon claim 1.

In this motion for summary judgment, defendant disputes that its paper trimmer infringes claim 8 literally. Defendant argues that its helical spring structure is not covered

by the "spring assembly formed on said carriage assembly" claim limitation. Additionally, defendant contends that the accused device contains no means for "biasing" the carriage assembly "to an inoperative position," because its helical spring structure biases only a portion of the carriage assembly. Defendant argues that plaintiffs are estopped from asserting infringement under the doctrine of equivalents as to the biased carriage assembly element because this limitation was added to the patent during its prosecution to obtain allowance from the Patent and Trademark Office. Similarly, defendant contends that plaintiffs are estopped from asserting that the helical spring structure in the accused device is an equivalent of the leaf springs and spring blades disclosed in claims 1 and 6 because both of these limitations were added during the patent's prosecution.

I conclude that the accused device does not infringe claim 8 literally. Although defendant's helical spring structure qualifies as a "spring assembly formed on said carriage assembly," a proper construction of that claim requires that the spring assembly bias, or influence directionally, the entire carriage assembly. The undisputed facts reveal that defendant's helical spring structure biases only a portion of the carriage assembly. I conclude also that the prosecution history of the '001 patent does not preclude plaintiffs from asserting that the accused device contains an equivalent to the biased carriage assembly element, because it is clear that plaintiffs did not amend the patent application to add that limitation in an effort to ensure patentability. The same is true of the amendments adding the leaf spring and spring blade elements of claims 1 and 6.

During the briefing of this motion for summary judgment, defendant submitted along with its reply brief a document entitled "Additional Proposed Findings of Fact."

Dkt. #37. In an order dated January 28, 1998, United States Magistrate Judge Crocker concluded that this filing did not comply with this district's standard procedures to followed on summary judgment and ordered defendant to resubmit the document after bringing it into conformance with those procedures. Defendant resubmitted its additional proposed facts, but with individual explanations as to how each proposed fact responded to plaintiffs' summary judgment submissions. Plaintiffs moved to strike this amended document, along with the filing accompanying it and requested the alternative relief of being allowed to file a surreply to these submissions. However, plaintiffs failed to object to the proposed facts individually, as instructed in Magistrate Judge Crocker's order. Most of defendant's additional proposed findings of fact repeat or support defendant's responses to plaintiffs' proposed facts and provide sufficient cross-referencing to that effect. These proposed factual submissions will be admitted; the remainder have been disregarded. Plaintiffs' request for leave to file surreply materials will be denied. Plaintiffs' request to strike portions of defendant's reply brief raising new arguments is addressed in the opinion section below. From the parties' properly proposed factual submissions, I find that the following matters are not in dispute.

UNDISPUTED FACTS

Plaintiff Fiskars Oy AB, a corporation organized under the laws of Finland, owns United States Patent No. 5,322,001 entitled Paper Cutter with Circular Blades. Plaintiff Fiskars, Inc. a Wisconsin corporation, is the exclusive licensee of the '011 patent. Defendant Hunt Manufacturing Co. is a Pennsylvania corporation that manufactures and sells a product designated as the "Heavy Duty Rotary 12" Paper Trimmer." The paper cutter claimed in the '001 patent and the paper

trimmer sold by defendant provide a safe and more accurate alternative to traditional paper cutters, which have long, exposed blades mounted on a pivoting arm which are pulled down and into contact with the paper to be cut. In both the claimed invention and defendant's device, the paper is cut by a round blade that is housed in a carriage assembly; a portion of the blade protrudes slightly out of the bottom of the carriage assembly. In turn, the carriage assembly is mounted on and slides along a rail attached to the cutting board. Paper is positioned so that the desired path of cut lies directly under the rail and the carriage assembly is depressed and slid along the rail and across the paper, bringing the blade into contact with the paper surface.

A. The '001 Patent

Plaintiff's United States Patent No. 5,322,001 was issued June 24, 1994. The following illustration, Figure 1 from the '001 patent, depicts a preferred embodiment of the claimed invention with a cutting board (12), and a rail assembly (14) and a carriage assembly (16). In this embodiment, the rail assembly is connected to the cutting board through pivot posts (26) and pivot blocks (27), which allow the entire rail assembly to be raised from the cutting board surface and then lowered once the paper is positioned, securing it in place.

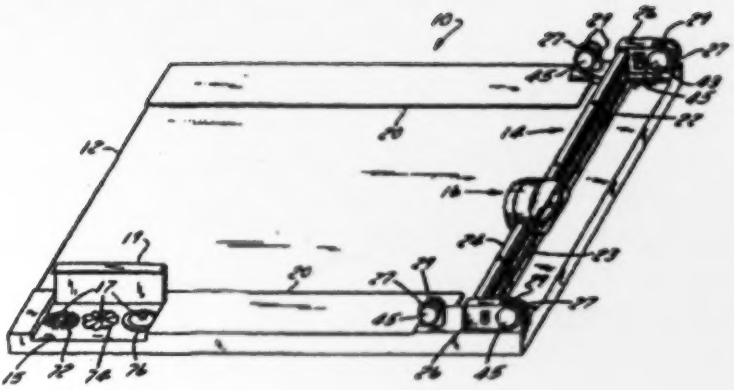


Fig. 1, '001 Patent

Figures 5 and 6 show different views of a preferred embodiment of the carriage assembly, which comprises a trolley (34), cutting blade (18) and cover (36). The cover can be removed and different blades inserted, including a pinking blade, wave blade, perforation blade or scoring blade. In this embodiment, two leaf springs (48) are molded into the carriage assembly; the ends of these leaf springs rest on the rail assembly and hold the carriage assembly in an inoperative position, with the cutting blade clear of the cutting surface. To operate the cutter, downward pressure is applied on the carriage assembly, compressing the leaf springs and bringing the blade into contact with the cutting surface. The carriage assembly is slid along the rail, causing the blade to roll across and cut the paper. When the carriage assembly is released, the leaf springs lift the blade and carriage assembly back to an inoperative position.

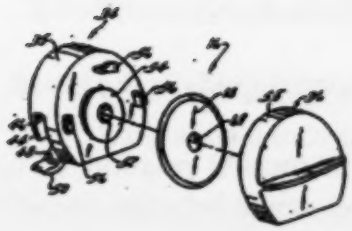


Fig. 5, '001 Patent

Fig. 6, '001 Patent

Of the '001 patent's 10 claims, claims 1, 6 and 8, are independent. The three independent claims, all of which are relevant to the present motion, provide as follows:

1. A cutting board assembly for cutting or trimming paper sheets, said assembly comprising a cutting board, a pair of posts mounted on said cutting board, a rail assembly pivotally mounted on said posts in a parallel relation to said cutting board, a carriage assembly mounted on said rail assembly for movement across the cutting board, a circular cutting blade mounted for rotary motion in said carriage assembly, **means for biasing said carriage assembly to an inoperative position on said rail assembly, said biasing means comprises a pair of leaf springs mounted on said carriage assembly for biasing said carriage assembly to an inoperative position on said rail assembly whereby said carriage assembly must be moved from said inoperative position to an operative position on the rail assembly for cutting or trimming the paper sheets.**

* * *

6. A paper cutting or trimming device comprising:

a cutting board having a material guide in the board,

a rail assembly mounted in parallel relation to said cutting board for pivotal movement between operative and inoperative positions with respect to said cutting board,

a carriage assembly mounted for sliding movement on said rail assembly,

said carriage assembly including a circular blade for cutting or trimming paper sheets,

a pair of spring blades formed on said carriage assembly for supporting and biasing said carriage assembly to an inoperative position on said rail assembly, and

a mat embedded in the surface of said cutting board in alignment with the circular cutting blade whereby said cutting blade will roll across the mat on the cutting board when moved to the operative position on said rail assembly to cut or trim the edge of the paper.

* * *

8. Apparatus for cutting sheet material comprising:

a cutter board, a pair of pivot blocks mounted in spaced relation on said cutter board,

a rail assembly pivotally mounted on said pivot blocks for movement between operative and inoperative

positions with respect to said board,

a carriage assembly mounted on said rail assembly for translational movement across the board,

said carriage assembly including a rotary cutting blade, and

a spring assembly formed on said carriage assembly for biasing said carriage assembly to an inoperative position on said rail assembly whereby said cutting blade is activated by pressing said carriage assembly down and sliding said carriage assembly across said rail assembly. (Emphasis added.)

B. Defendant's Paper Trimmer

Defendant's "Heavy Duty Rotary 12" Paper Trimmer" operates in a fashion very similar to that of the claimed invention. The device has a cutting board and a pivotally mounted rail that can be lifted and lowered. Mounted on the rail is a carriage assembly housing a rotary blade. Figures A and B are cross-sectional views of defendant's carriage assembly in inoperative and operative positions, respectively. The carriage assembly includes a back trolley member (1), a front trolley member (4), a central helical spring (3), a handle/blade support (5), a rotary cutting blade (7) and a front cover (6). The front and back trolley members are mounted on the T-shaped rail (2). An upstanding finger (10) protrudes from the front trolley member and supports the central helical spring. The upper end of the spring contacts a shoulder (107) of the handle/blade support, on which the cutting blade is mounted. The spring biases the handle/blade support to its uppermost position, so that the blade is not in contact with the cutting

surface (see Fig. A). When the handle/blade support is depressed, the spring compresses and the blade is forced downward, engaging the cutting surface (see Fig. B). With the blade engaged, the operator can slide the carriage assembly across the rail to cut paper. With respect to the components of the carriage assembly in defendant's paper trimmer, only the handle/blade support, the blade and to a certain extend the helical spring moves vertically in relation to the rail.

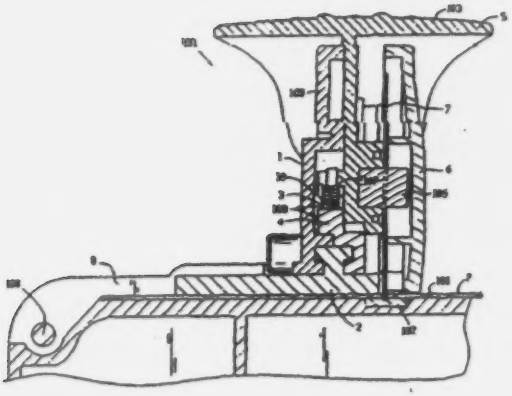


Fig. A

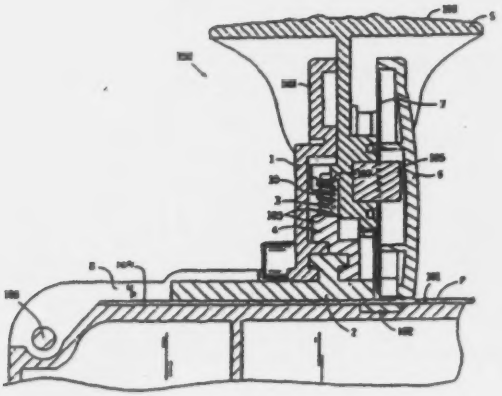


Fig. B

C. Prior Art

United States Patent No. 5,069,097, issued to Mori, discloses a paper cutting machine with a cutting board and rail, on which was mounted a "slider" (essentially a carriage assembly) housing a cutter blade. In the Mori invention, a portion of the carriage assembly, which included the cutter blade, was biased downward by two helical springs located on finger portions of the assembly. The springs held the blade in an operative position in full contact with the cutting surface. The force with which the Mori cutting blade is pressed against the paper cannot be controlled by applying manual pressure on the top of the carriage assembly. When the Mori blade encounters an object resistant to being cut, such as a staple, the helical springs compress and the blade and blade carrier are displaced upward. The Mori patent shows no means for using springs to bias its cutter blade or carriage assembly to an inoperative position relative to the rail assembly. Figure 7 from the '097 patent shows an exploded perspective view of the Mori carriage assembly, figure C is a cross sectional view of the same

device submitted by plaintiff that is not part of the '097 patent file.

Fig 7, '097 Patent

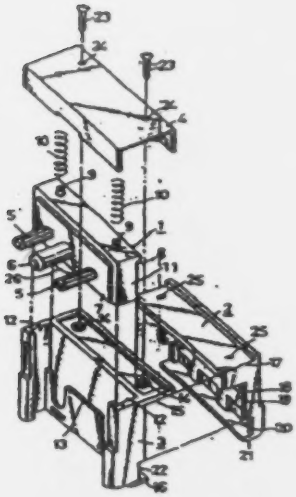
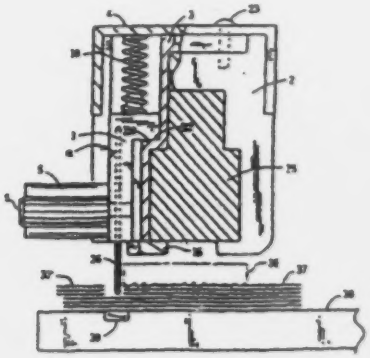


Fig. C



On January 31, 1967, United States Patent No. 3,301,117 was issued to D.E. Spaulding. The Spaulding patent discloses a paper cutter with a pair of non-rotary cutting blades housed in a carriage assembly that slides along a rail. Additionally, Spaulding discloses a pair of helical springs positioned at either end of the rail that bias the entire rail away from the cutting board, placing the blade and carriage assembly in an inoperative position. Figure 2 from the Spaulding patent depicts a foreshortened section view of the cutting blade (45), carriage assembly (70), rail (12) and helical springs (23).

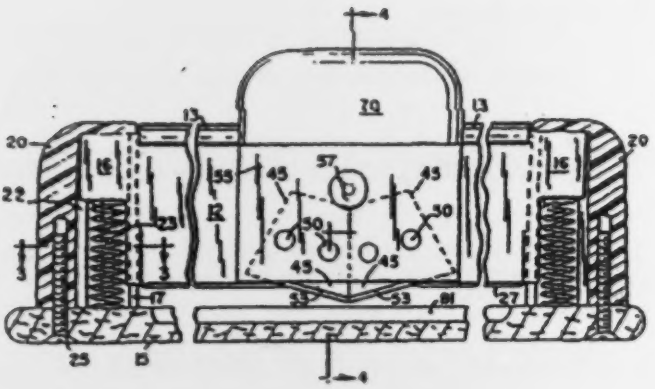


Fig. 2, '117 Patent

D. Prosecution History

1. Patent application

On May 28, 1993, plaintiffs filed with the United States Patent and Trademark Office Patent Application No. 08/068,399, entitled "Paper Cutter with Circular Blades." The application as filed contained 12 claims. The independent claims 1, 7 and 10 of the original '399 application, which became claims 1, 6 and 8 of the '011 patent, respectively, provided as follows:

1. A cutting board assembly for cutting and/or trimming paper sheets, said assembly comprising a cutting board, a rail assembly pivotally mounted on said cutting board, a carriage assembly mounted on said rail assembly for movement across the cutting board, a circular butting blade mounted in said carriage assembly including means for biasing said cutting blade to an inoperative position on said rail assembly whereby

said carriage assembly must be moved from an inoperative position to an operative position on the rail assembly before cutting the paper sheets.

* * *

7. A paper cutting and/or trimming device comprising:

a cutting board having a material guide in the upper surface thereof,

a rail assembly pivotally mounted on said cutting board in a perpendicular relation to said material guide for movement between operative and inoperative positions with respect to said cutting board,

a carriage assembly mounted for sliding movement on said rail assembly,

said carriage assembly including a circular blade for cutting and/or trimming paper sheets, and

a mat embedded in the surface of said cutting board in alignment with the cutting blade whereby said cutting blade will roll across the mat on the cutting board to trim the edge of the paper.

* * *

10. Apparatus for cutting sheet material comprising:

a cutter board,

a rail assembly mounted on said board for movement between operative and inoperative positions with

respect to said board,

a carriage assembly mounted on said rail assembly for translational movement across the board,

said carriage assembly including a rotary cutting blade, and

means biasing said carriage assembly to an inoperative position on said rail assembly whereby said cutting blade is activated by pressing said carriage assembly down and across said rail assembly.

2. First office action

On August 26, 1993, the Patent and Trademark Office issued a first office action rejecting all proposed claims of the '399 application. Proposed claim 7, which made no reference to means for biasing the carriage assembly to an inoperative position, was rejected as clearly anticipated by the Mori patent. Proposed claims 1 and 10 (as well as several dependent claims) were rejected under 35 U.S.C. § 103 as being unpatentable over Mori in view of the Spaulding patent. In discussing this rejection, the patent examiner made the following statement:

> Mori discloses a cutting board assembly substantially as claimed. Mori lacks means biasing the cutting blade to an inoperative position on the rail assembly. Spaulding discloses a paper cutter including spring means (23) for biasing the cutting blade (45) to an inoperative position on rail assembly (10). It would have been obvious to one having ordinary skill in the art to provide Mori with spring

> means as taught by Spaulding in order to bias the cutting blade to an inoperative position such that activation by a user is necessary in order to effect a cut thus preventing the work from being cut unless such is desired. As to the springs being leaf springs, it is noted that it would have been obvious to one having ordinary skill in the art to provide the spring means of the modified device of Mori to be leaf springs since the use of leaf springs is a well-known and equivalent biasing means.

The examiner rejected proposed claim 9 in a separate paragraph. That claim depended from independent claim 7 and dependent claim 8, which disclosed a rectangular rail assembly with longitudinal opening on which is mounted a carriage assembly trolley. Dependent claim 9 added to these claims the limitation that the trolley "include a pair of spring blades aligned in the inside of the rail for biasing said trolly to a neutral position on said rail." The examiner rejected this addition as being unpatentable over Mori in view of Spaulding, using largely the same language as that quoted above but specifying that "Mori lacks a pair of spring blades for biasing the *trolley* to a neutral position" and that Spaulding discloses "a pair of springs (23) for biasing the *trolley* (70) to a neutral position" (emphasis added).

3. Plaintiffs' first response and amendment

On November 11, 1993, plaintiffs filed its response and amendment to the August 26 office action. Plaintiff amended proposed claim 1, replacing "means for biasing said cutting blade to an inoperative position" with "means for biasing said carriage assembly to an inoperative position." Proposed claim

7 was amended to include the following phrase: "Means for supporting and biasing said carriage assembly to an inoperative position on said rail assembly." In the "Remarks" section of their response, plaintiffs stated that claim 7 "as amended" called for a means for supporting and biasing the carriage assembly to an inoperative position on the rail assembly, allowing the operator to control the cutting force applied to the paper by moderating the downward force applied to the carriage assembly. Plaintiffs emphasized that the operator has no such control with the Mori device.

Plaintiffs pointed out that in the device disclosed in claims 1 and 10, only the carriage assembly is biased to an inoperative position, as opposed to the Spaulding prior art, where the springs "bias the entire rail 10 to an inoperative position." Plaintiffs stressed that to utilize the Spaulding device, an operator must push down the entire rail, while the operator of the claimed invention need only depress the carriage assembly "to move the cutter blade from the inoperative position to the operative position." Plaintiffs argued that "[t]o incorporate the teaching of Spaulding into Mori would require a complete restructuring of the Mori disclosure, since the rail 35 of Mori is pivotally connected at one end to the rail support 41 and calls for a set of springs to hold the blade in the operative position." Additionally, plaintiffs contended that their dependent claims added features that "further define over Mori and Spaulding." Specifically, claim 4 "includes a trolley having a pair of leaf springs which provide both a support for the carriage on the rail as well as biasing the trolley to the inoperative position." In defense of dependent claim 9, plaintiffs argues as follows:

> It should be noted that Spaulding only shows a pair of springs for biasing the track away from the cutting board. . . . There is no disclosure in

> Spaulding of a pair of spring blades formed on said trolley and aligned in the inside of the rail for supporting the trolley for sliding movement in the rail as well as biasing the trolley to a neutral position.

4. Second office action

On December 28, 1993, the Patent and Trademark Office rejected amended claims 1, 7 and 10. However, the examiner indicated that claims 4, 5 (which depended upon 4 and disclosed a self-healing cutting pad) and 9 were objected to as being dependent upon rejected base claims "but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims." The examiner addressed plaintiffs' arguments regarding claims 1, 7 and 10 as follows:

> Applicant argues that in Spaulding the entire rail is biased into an inoperative position and to incorporate such a teaching into Mori would require a complete restructuring of Mori. While it is true that the entire rail is biased into an inoperative position, the claims merely recite 'means for biasing the carriage assembly to an inoperative position on said rail assembly.' In Spaulding, the carriage assembly is biased to an inoperative position, as recited, even though the rail assembly is biased as well. Further, Mori would not require a complete restructuring but merely the addition of biasing means biasing the carriage assembly to an inoperative position.

5. Plaintiffs' second response and amendment

On January 12, 1994, plaintiffs submitted a second response and amendment, amending proposed claims 1, 7 and 10. Essentially, plaintiffs amended claims 1 and 7 to include the structures of claims 4 and 9, respectively, as recommended by the examiner in the second office action. Specifically, plaintiffs added to claim 1 the language "said biasing means comprises a pair of leaf springs mounted on said carriage assembly to an inoperative position on said rail" and to claim 7 "a pair of spring blades on said carriage assembly"; these amendments transformed the claims into the versions approved ultimately as claims 1 and 6 of the '001 patent. Additionally, plaintiffs amended proposed independent claim 10 by replacing "means biasing said carriage assembly to an inoperative position on said rail assembly" with "a spring assembly formed on said carriage assembly for biasing said carriage assembly to an inoperative position on said rail assembly." In essentially this form, proposed claim 10 was allowed as claim 8 of the '011 patent.

On January 27, 1994, in response to plaintiffs' January 12, 1994 amendments, the Patent and Trademark Office issued a Notice of Allowability for the '399 application. Subject to minor subsequent claim amendments, the '399 application was issued as the '001 patent on June 21, 1994.

OPINION

To show non-infringement on a motion for summary judgment, a moving defendant must establish that it cannot be genuinely disputed that at least one element of the patent claim at issue is not found in the accused device either literally or figuratively. See SMI Corp. v. Cardiac Resuscitator Corp., 844

F.2d 1576, 1582 (Fed. Cir. 1988). If every element of a claim is embodied in the accused device, defendant is guilty of literal infringement. See Mannesmann Demag Corp. v. Engineered Metal Products Co., 793 F.2d 1279, 1282 (Fed. Cir. 1986). If the accused device differs from the patent claims, but those differences are insubstantial, defendant may be guilty of infringement under the doctrine of equivalents. See Athletic Alternatives, Inc. v. Prince Mfg., Inc., 73 F.3d 1573, 1581 (Fed. Cir. 1996).

In this action, plaintiffs raise a variety of literal and doctrine of equivalents charges. They assert literal infringement only as to claim 8 and dependent claim 9 of the '011 patent, which disclose a "spring assembly" for biasing a carriage assembly to an inoperative position. As a backup position, plaintiffs argue that defendant's device infringes claims 8 and 9 under the doctrine of equivalents. In addition, plaintiffs raise doctrine of equivalents charges under independent claims 1, 2, 5 and 6, which include either leaf spring or spring blade elements. On this motion for summary judgment, defendant challenges plaintiffs' literal infringement charges and asserts that the doctrine of prosecutorial estoppel, or file wrapper estoppel, prevents plaintiffs from relying on the doctrine of equivalents; defendant does not raise the issue whether the differences between its device and the claimed inventions are substantial enough to avoid a finding of infringement under the doctrine of equivalents.

A. Literal Infringement

The literal infringement inquiry begins with construction of the scope and meaning of the claim without regard to the accused product and proceeds to a determination whether the accused device infringes the claim as properly construed. See

Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1581-82 (Fed. Cir. 1996); Dolly, Inc. v. Spalding & Evenflo Companies, 16 F.3d 394, 397 (Fed. Cir. 1994). Claim construction is a question of law to be determined by the court, see Markman v. Westview Instruments, Inc., 116 S. Ct. 1384, 1396 (1996), while the question of infringement is factual. See Hormone Research Foundation, Inc. v. Genentech, Inc., 904 F.2d 1558, 1562 (Fed. Cir. 1990). However, where the parties do not dispute any relevant facts regarding the accused product but disagree over the meaning of the claim, the questions of claim construction and literal infringement become one issue that is appropriately addressed on summary judgment. See Athletic Alternatives, 73 F.2d at 1578.

In construing the terms of a claim, courts are to consider first all relevant intrinsic evidence, which includes sources within the patent record. See Vitronics Corp., 90 F.3d at 1582. Primarily, courts begin with the language of the claim itself, giving its terms their ordinary and customary meaning unless it is apparent from the patent and prosecution history that the inventor used them differently. See id.; Hoechst Celanese Corp. v. BP Chemicals Ltd., 78 F.3d 1575, 1578 (Fed. Cir. 1996); Hoganas AB v. Dresser Industries, Inc., 9 F.3d 948, 951 (Fed. Cir. 1993). Next, it is necessary to review the specification and its written description of the invention. "For claim construction purposes, the description may act as a sort of dictionary, which explains the invention and may define terms used in the claims." Markman v. Westview Instruments, Inc., 52 F.3d 967, 979 (Fed. Cir. 1995), aff'd, 116 S. Ct. 1384. The final source of intrinsic evidence relevant to claim construction is the patent's prosecution history, which limits interpretations of claim terms by excluding those that have been disclaimed during prosecution. See Vitronics, 90 F.2d at 1582. Extrinsic evidence of claim construction, such as expert testimony, is to be utilized only in the rare occasion in which the patent record

is insufficient to allow the court to construe the disputed terms. Id. at 1585. Even in these situations, an expert's opinion as to the meaning of a claim should be treated with the "utmost caution." Id.

In its opening brief, defendant identifies "two critical elements common to the independent claims which are most relevant to this motion" as being the requirements of a carriage assembly and a means for biasing the carriage assembly to an inoperative position on the rail. Def.'s Mem. Supp. Sum. J. at 14. In its reply brief, however, defendant contests an additional element of claim 8, asserting that the accused device does not contain "a spring assembly formed on said carriage assembly." Understandably, plaintiffs object to defendant's raising this new argument in reply. Defendant disputes that the argument is newly raised, citing two brief statements in its opening memorandum regarding the '001 patent's "formed on" requirement. It is questionable whether these passages, which did not refer to claim 8 directly, raised defendant's additional arguments with sufficient precision to allow them to serve as a basis for summary judgment. See Cooper v. Ford Motor Co., 748 F.2d 677, 680 (Fed. Cir. 1984) ("[T]he Federal Rules do not contemplate that a court may dispose of a cause by summary judgment, when the basis for the judgment was not raised by the movant with sufficient precision for the nonmovant to respond."). However, I need not resolve this question because defendant's assertion that its device does not include a "spring assembly formed on said carriage assembly" is premised on a faulty construction of claim 8 and will be rejected.

1. A spring assembly formed on said carriage assembly

The relevant portion of claim 8 of the '001 patent

discloses "a spring assembly formed on said carriage assembly." Defendant contends that 1) the term "spring assembly" as used in the claim does not include a helical spring and that 2) "formed on said carriage assembly" means "created in contact with or as an integral part of the carriage assembly." Defendant's effort to exclude helical springs from the scope of claim 8 faces a tough road, as the term "spring assembly" appears unambiguous in its coverage of all manner of spring devices. Defendant points to nothing in the claim language or the specifications demonstrating that the inventor used the term in a manner different from its ordinary meaning. The fact that the preferred embodiment described in the patent used leaf springs is irrelevant; a patent claim is not limited to a preferred embodiment disclosed in the specifications. See Transmatic, Inc. v. Gulton Industries, Inc., 53 F.3d 1270, 1277 (Fed. Cir. 1995).

Defendant's only remaining argument in support of its construction is that plaintiffs disclaimed coverage of helical springs in prosecuting claim 8. This assertion is unsupported by the prosecution history. In the correspondence regarding the patent application, neither the examiner nor plaintiffs made any reference to helical springs. Moreover, the patent examiner emphasized in its first office action that the leaf springs and spring blades disclosed in other claims were well known equivalents of the spring means used in the prior art, which happened to be helical springs. Defendant's contention that the examiner switched her position on this point at the urging of plaintiffs is without support in the record; the examiner never indicated that she had reversed her position on the equivalency of these structures and plaintiffs never argued that she should do so. Defendant cites two passages in plaintiffs' first amendment to the parent application in which plaintiffs refer specifically to leaf springs and spring blades in distinguishing their claims from the prior art. These passages are quoted out

of context. They were made in defense of the precursors to claims 1 and 6, neither of which include the term "spring assembly," and they have no bearing on claim 8.

Defendant's proposed construction of claim 8's "formed on" limitation to mean "created in contact with or made an integral part of" is based on the dictionary definition of the word "form." According to defendant, the spring assembly in its accused device is not "formed on" the carriage assembly under this definition. Defendant does not explain exactly how it reaches this conclusion; the biasing spring in its device is certainly in contact with the carriage assembly and made an integral part of that structure. See Figs. A and B, pp. 10 and 11. Defendant emphasizes that the helical spring is not attached to or molded to the carriage assembly, but these requirements are not part of the dictionary definition defendant purports to rely on. In any event, the "formed on" requirement of claim 8 applies to the "spring assembly" of the accused device, not just the helical spring. By defendant's own definition, assembly means a collection of parts fitted together to form a whole. In the accused device, the helical spring is fitted together with a finger, which holds it in place and enables it to function. The term "spring assembly" covers both components, meaning that the spring assembly is molded to the carriage assembly.

The parties have introduced conflicting expert testimony interpreting the "spring assembly formed on said carriage assembly" language. Because the meaning of these terms is discernible from the patent record, recourse to extrinsic evidence is inappropriate. See Vitronics, 90 F.3d at 1585. Defendant makes one final argument on this point, asserting that the construction of this limitation proffered by plaintiff and now adopted by this court renders claim 8 unpatentable over the Mori prior art, because Mori disclosed a carriage assembly that included a similar spring assembly. Although it is true that this

particular claim limitation teaches on the Mori device, Mori lacks several other elements of claim 8, including a means to bias the carriage assembly to an inoperative position. The patent examiner recognized this point repeatedly. It disposes of defendant's argument.

2. Biasing carriage assembly to inoperative position

Claim 8 requires that the spring assembly discussed above be formed on the carriage assembly "for biasing said carriage assembly to an inoperative position on said rail assembly." This limitation is incorporated through similar language in the other dependent claims of the '001 patent as well. Defendant interprets the limitation as requiring that the spring assembly be structured to influence, or move, the entire carriage assembly; plaintiffs argue that it requires the spring assembly to be structured to withdraw the blade from the cutting surface, even if only a portion of the carriage assembly is moved in the process. This dispute centers on the meaning of the term "biasing," or "bias." If its means to influence directionally, defendant's interpretation is correct. If it includes altering or reconfiguring in a more general sense, plaintiffs prevail.

Citing Webster's New Twentieth Centruy Dictionary (2d ed.), defendant contends that the ordinary meaning of the verb bias is "to incline to one side" or to "give a particular direction to." The patent language supports this definition. The claim requires that the spring means bias the carriage assembly "to an inoperative *position*" (emphasis added). The implication is that, in being biased, the carriage assembly is actually repositioned, or moved to a different location. Similar passages are found in the specifications: "The trolley includes a spring assembly for biasing the carriage assembly to a storage position

on the rail assembly." Col. 2, lns. 1-3. "When released, the springs 48 will bias the carriage assembly upward to clear the blade from the paper." Col. 4, lns. 12-14. Both of these statements use "bias" to mean influence directionally, implying that the entire object being biased changes locations. The use of the term throughout the patent prosecution is consistent with this definition. In the first amendment and response, plaintiffs described the springs in the Spaulding prior art as "bias[ing] the entire rail to an inoperative position." The patent examiner responded to this argument in the second office action by pointing out that "[i]n Spaulding, the carriage assembly is biased to an inoperative position . . . even though the rail assembly is biased as well."

Nowhere is the work "biased " used to denote the reconfiguration of the biased object, whereby portions of the item are moved and portions remain stationary, rather than the complete relocation of the object. Nor do plaintiffs provide a definition for the term that supports their position. Seemingly accepting the definition of bias advanced by defendant, plaintiffs contend that if they had intended claim 8 "to require biasing of the entire carriage assembly, that is what the claim language would have said." Pls.' Mem. Opp. Summ. J. at 20. However, the corollary of this argument rings with greater force: if plaintiffs had wanted the claim to include biasing of a portion of the carriage assembly, they should have specified as much. It is more logical to assume that when a general reference to an object is unqualified by "entire" or "partial," the reference is to that object as a whole.

The language in claim 8 disclosing a "spring assembly formed on said carriage assembly for biasing said carriage assembly to an inoperative position on said rail assembly" teaches that the spring assembly be configured to provide a directional influence to the entire carriage assembly. Because

the undisputed facts reveal that defendant's accused device does not include a spring assembly that can exert such directional influence, that device does not literally infringe claim 8 or its dependent claim 9.

B. Doctrine of Equivalents

An accused product that differs from a patent claim and does not infringe literally can infringe the patent nonetheless under the doctrine of equivalents "if its difference from the claim is insubstantial from the perspective of one of ordinary skill in the relevant art." Athletic Alternatives, 73 F.3d at 1581. An equivalent exists if an individual familiar with the relevant technology would have known that the substituting ingredient in the accused device was interchangeable with the ingredient disclosed in the patent. See Warner-Jenkinson Co. v. Hilton Davis Chemical Co., 117 S. Ct. 1040, 1047 (1997) (citing Graver Tank & Mfg. Co. v. Linde Air Products Co., 339 U.S. 605, 609 (1950)). In Warner-Jenkinson, the United States Supreme Court discussed the doctrine of equivalents at length and reaffirmed its vitality. To ensure that a patent's coverage is not extended beyond the scope of its claims, the Court held that the doctrine of equivalents must be applied to each limitation of a claim rather than to the invention as a whole. Id. at 1049. Therefore, an accused device must embody all of the elements of the relevant patent or provide an equivalent to those elements that differs from the claim only insubstantially. Although no specific formula exists for determining whether two elements are equivalent, the "function-way-result" test is the test most often used when analyzing mechanical devices. See id. at 1054. Under this test, an element of the accused device is equivalent if it performs substantially the same function, in substantially the same way, to produce substantially the same overall result. See Dolly, Inc. v. Spalding & Evenflo

Companies, 16 F.3d 394, 397 (Fed. Cir. 1994).

Plaintiffs may prevail on their infringement action under claim 8 and 9 under the doctrine of equivalents if they demonstrate that the helical spring biasing mechanism of the accused device performs substantially the same function, in substantially the same way, to produce substantially the same result as the biased carriage assembly element disclosed in those claims. If this equivalence is established, plaintiffs may prevail under claims 1, 2, 5 and 6 as well by demonstrating additionally that defendant's helical spring is equivalent to the leaf spring and spring blade elements disclosed therein. However, defendant does not challenge plaintiffs' ability to make these equivalency showings in this motion for summary judgment. Instead, defendant contends that the doctrine of prosecution history estoppel precludes plaintiffs from asserting any equivalency infringement on the basis of these elements of the '001 patent.

The doctrine of prosecution history estoppel, also known as "file wrapper estoppel," limits infringement actions against otherwise equivalent structures. The theory behind prosecution history estoppel is that a patent holder should not be allowed to enforce its patent under the doctrine of equivalents to cover subject matter that it surrendered during prosecution to obtain allowance of its claims. See Pall Corp. v. Micron Separations, Inc., 66 F.3d 1211, 1218 (Fed. Cir. 1995); Hoganas AB, 9 F.3d at 951-52. Estoppel applies only if the purpose of the surrender was to avoid prior art or address similar patentability concerns. See Warner-Jenkinson, 117 S. Ct. at 1049 (rejecting arguments that any surrender of subject matter during prosecution precludes recapturing of that matter, regardless of the reason for the surrender). Application of prosecution history estoppel is a question of law. See American Permahedge, Inc. v. Barcana, Inc., 105 F.3d 1441, 1446 (Fed.

Cir. 1997).

In Warner-Jenkinson, the Supreme Court addressed a situation in which the prosecution history did not reveal the reason for the claim amendment at issue. The court held that in such instances, a presumption arises "that the PTO had a substantial reason relating to patentability for including the limiting element added by the amendment." Id. at 1051. The patent holder can overcome the presumption by demonstrating that the purpose of the amendment was unrelated to patentability. Id. at 1054. In establishing this rebuttable presumption, the court sought to "give[] proper deference to the role of claims in defining an invention and providing public notice, and to the primacy of the PTO in ensuring that the claims allowed cover only subject matter that is properly patentable in a proffered patent application." Id. at 1051.

1. Biasing said carriage assembly

To show infringement of any of the claims of the '001 patent, plaintiffs must demonstrate that the spring assembly in the accused device, which biases the portion of the carriage assembly holding the cutting blade, is equivalent to the common element of claims 1, 6 and 8 requiring specific spring means "for biasing said carriage assembly." However, this language did not appear in the original version of claim 1, which disclosed a means "for biasing said cutting blade." During prosecution of the patent, plaintiffs amended claim 1 by, among other things, replacing the original limitation which the phrase "for biasing said carriage assembly." According to defendant, this action stops plaintiffs from arguing that a device in which the cutting blade is biased is equivalent to a device in which the entire carriage assembly is biased. Although the amendment on which defendant relies is unique to claim 1

(neither claims 6 nor 8 ever included reference to a biased cutting blade), defendant argues persuasively that the estoppel consequences of claim 1, if any, should extend throughout the patent to provide for consistent interpretation of claim terms. See American Permahedge, 105 F.3d at 1446 (Fed. Cir. 1997).

The patent examiner rejected claim 1 as originally proposed as being unpatentable over Mori in view of Spaulding. (Additionally, the examiner raised several minor "indefiniteness" objections to language in claim 1 that are not relevant here.) Specifically, the examiner noted that Spaulding discloses a paper cutter with spring means for biasing the cutting blade. In the same office action, the examiner rejected proposed dependent claim 9, which disclosed a biased trolley, noting that Spaulding disclosed a means for biasing the trolley. In their first amendment and response, plaintiffs made several changes to claim 1, one of which was the substitution of "biasing the carriage assembly" for "biasing the cutting blade." However, in defending the patentability of its newly amended claim, plaintiffs made no reference to the switch from "cutting blade" to "carriage assembly." Instead, plaintiffs emphasized that the Spaulding invention required the operator to depress the entire biased rail assembly in order to cut paper. In the second office action, the patent examiner rejected the amended claim 1, explaining that Spaulding disclosed a biased carriage assembly as well.

This patent history gives no indication why plaintiffs amended claim 1 by substituting "carriage assembly" for "cutting blade." The amendment did nothing to distinguish over the Spaulding prior art, in which the entire rail assembly was biased. It was clear from the first office action that such an amendment would be irrelevant vis á vis the examiner's prior art objection, given her statement regarding proposed claim 9 that Spaulding disclosed a biased trolley; under the patent

specifications, the trolley constituted the primary component of the carriage assembly and, because it supported the remaining components, could not be biased without biasing the entire carriage assembly. The amendment does not address any of the minor indefiniteness objections made by the examiner.

Because the patent record provides no explanation for the amendment, defendant contends that estoppel should be presumed under Warner-Jenkinson. I am not so certain. Underlying the Supreme Court's decision in creating the presumption was a deference to the role of the Patent and Trademark Office in controlling the scope of claims and the premise that the PTO had ordered the amendment at issue. See Warner-Jenkinson, 117 S. Ct. at 1051 ("the court should presume that the PTO had a substantial reason related to patentability for including the limiting element added by the amendment"), 1054 (presumption overcome "if the patent holder demonstrates that an amendment *required* during prosecution had a purpose unrelated to patentability") (emphasis added). (I note that the account of the prosecution history in Warner-Jenkinson does not specify that the PTO recommended the specific limitation adopted. Id. at 1050).

It is questionable whether the presumption should be triggered by an amendment so detached from the objection of the patent examiner as is the case here. Even if the presumption did lie, the burden on plaintiffs to rebut it would not be as onerous as defendant argues. The Federal Circuit has instructed courts to approach such determinations with careful discretion, balancing "the importance of public notice and reliance on the prosecution history, as well as the need for fairness to the patentee." Hilton Davis Chemical Co. v. Warner-Jenkinson Co., 114 F.3d 1161, 1163 (Fed. Cir. 1997), on remand from Warner-Jenkinson, 117 S. Ct. 1040. Citing the concurring opinion of Justice Ginsberg in Warner-Jenkinson, the Federal

Circuit urged particular caution in cases such as this where the patent was prosecuted and issued before Warner-Jenkinson was decided, with the applicant and examiner unaware of the presumptions that might arise from any unexplained amendments. See Hilton Davis Chemical, 114 F.3d at 1163; see also Warner-Jenkinson, 117 S. Ct. at 1055 (Ginsberg, J., concurring) ("The new presumption, if applied woodenly, might in some instances unfairly discount the expectations of a patentee who had no notice at the time of patent prosecution that such a presumption would apply.")

Plaintiffs find themselves in exactly the position anticipated by Justice Ginsberg and the Federal Circuit: unable to come up with evidence explaining why they amended claim 1 by substituting "carriage assembly" for "cutting blade." Apparently because they are without recourse to the testimony of the lawyer who prosecuted the patent, plaintiffs have submitted the averments of the inventor that it was his "understanding" that the amendment was intended to de-emphasize the cutting function of the invention, which was capable of being fitted with blades that perforated and scored paper as well. Boda Aff. ¶¶ 9-12. In addition to the questions regarding this witness's personal knowledge regarding the amendment decision, this justification is severly undercut by the fact that claim 1, as amended and issued, maintained as a specific element a "circular cutting blade." Additionally, the term "cutting blade" as used in the specifications refers to all of the interchangeable blades, including the perforating blade. Col. 3, lns. 59-66.

However, plaintiffs' inability to demonstrate exactly why they adopted this amendment is offset by the strong evidence in the prosecution history that the amendment did not relate to patentability. As discussed above, the examiner emphasized that her prior art objections were based on the

Spaulding spring mechanism, which biased the entire rail assembly, including the carriage assembly and cutting blade. Contrary to defendant's suggestions, there is no suggestion in the record that the examiner required plaintiffs to distinguish their device from the partially biased carriage assembly of Mori. In fact, understandably influenced by the fact that the bias in the Mori device was to an operative rather than inoperative position, the examiner did not even refer to the fact that Mori disclosed a biased cutting blade. The examiner's prior art rejection in the first office action of the biased trolley in dependent claim 9 makes it unreasonable to infer that the switch to a biased carriage assembly in claim 1 was intended to avoid that same prior art. The facts that the examiner said nothing in the first office action to prompt or solicit this particular amendment and that the first amendment to claim 1 included several other technical changes are further evidence to an observer of the prosecution history that the dropping of the biased cutting blade reference did not go to patentability.

Because the prosecution history was sufficient to inform the reasonable public that the amendment to claim 1 substituting "carriage assembly" for "cutting blade" was not to avoid prior art or for any other patentability consideration, I conclude that plaintiffs are not estopped from pursuing their infringement action as to this element under the doctrine of equivalents. See Instituform Technologies, Inc. v. Cat Contracting, 99 F.3d 1098, 1107-08 (Fed. Cir. 1996) ("[T]he standard for determining what subject matter was surrendered is objective and depends on what a competitor, reading the prosecution history, would reasonable conclude was given up by the applicant."). This result is consistent with the recent directives of the Supreme Court and the Federal Circuit that prosecutorial estoppel determinations account for the patent's notice function. See Warner-Jenkinson, 117 S. Ct. at 1051; Hilton Davis, 114 F.3d at 1163. I note that this conclusion

applies equally to plaintiffs' equivalency arguments regarding the identical elements of claims 6, 8 and 9.

2. Equivalency of defendant's helical spring

It is undisputed that the accused device does not literally infringe claims 1, 2, or 5, which discloses a biasing means comprising "a pair of leaf springs mounted on said carriage assembly," or claim 6, which discloses "a pair of spring blades formed on said carriage assembly for supporting and biasing said carriage assembly." However, plaintiffs seek to establish that the helical spring assembly in defendant's device is the equivalent of the disclosed leaf springs and spring blades. Defendant asserts that plaintiffs are estopped from pursuing equivalency arguments as to these claim elements because they were added by amendment during the prosecution of the '001 amendment.

Defendant contends that plaintiffs disclaimed all coverage of helical springs by asserting limitations specifying blade and leaf spring structures. Prior to these amendments, the claims disclosed a "means for biasing" without specifying whether that means utilized a spring. According to defendant, these added limitations were necessary and intended to distinguish plaintiffs' invention from the helical spring structures of the Mori and Spaulding prior art. This argument is a non-starter. Claim 8 of the same patent discloses a device nearly identical to those taught in claims 1 and 6, the primary distinction being the disclosure of a general "spring assembly" in claim 8 in place of the blade or leaf springs specified in 1 and 6. Because the "spring assembly" limitation in claim covers defendant's helical spring structure literally (see above), it would be illogical to conclude that in prosecuting the patent plaintiffs surrendered coverage of such structure, let alone that

such surrender was necessary to patentability. Further, as discussed above, the prosecution history reflects an understanding between the examiner and plaintiffs that the helical springs of the prior art and the blade and leaf springs disclosed in the '001 patent were "a well-known and equivalent biasing means."

In support of its position, defendant identifies two passages in plaintiffs' response to the first office action. In those passages, plaintiffs defended the patentability over prior art of two dependent claims, the limitations of which were later adopted as the spring structures in claim 1 and 6. The passages identified by defendant, along with their appropriate context, read as follows:

> Claim 4 depends from claim 3 and includes a trolley having a pair of leaf springs which provide both a support for the carriage on the rail as well as biasing the trolley to the inoperative position.
>
> * * *
>
> Claim 9 has been rejected as being unpatentable . . . over Mori in view of Spaulding. . . . [I]t should also be noted that Spaulding only shows a pair of springs for biasing the track away from the cutting board. . . . There is no disclosure in Spaulding of a pair of spring blades formed on said trolley and aligned in the inside of the rail for supporting the trolley for sliding movement in the rail as well as biasing the trolley to a neutral position.

It is clear from these passages that, in distinguishing over prior

art, plaintiffs did not rely on the fact that their claims disclose blade and leaf springs rather than helical springs. Plaintiffs' emphasis is on the location of the springs: that they are attached to the trolley and bias that trolley vis á vis the rail, rather than that they bias the entire rail. By amending independent claims 1 and 6 to include limitations similar to those described above, plaintiffs were disclaiming biasing means that act on the rail as a whole; they were not disclaiming helical springs. See Black & Decker, Inc. v. Hoover Service Center, 886 F.2d 1285, 1295 (Fed. Cir. 1989) (prosecution history estoppel bars equivalency claims against matter specifically surrendered by amendment, not every equivalent claim based on amended elements).

Because the spring structure amendments to claims 1 and 6 did not surrender equivalency coverage over the helical spring assembly of the accused device, plaintiffs will be allowed to pursue their infringement actions under claims 1, 2, 5 and 6 under the doctrine of equivalents.

ORDER

IT IS ORDERED that defendant Hunt Manufacturing Company's motion for summary judgment is GRANTED with respect to plaintiffs Fiskars, Inc. and Fiskars OY AB's claims of literal infringement of claims 8 and 9 of the '001 patent and is DENIED in all other respects.

Entered this 30th day of March, 1998.

BY THE COURT:

_____

BARBARA B. CRABB
District Judge

NOTE: Pursuant to Fed. Cir. R. 47.6 this order is not citable as precedent. It is a public order.

United States Court of Appeals for the Federal Circuit

98-1560, -1566

FISKARS, INC. and FISKARS OY AB,

Plaintiffs-Appellees,

v.

HUNT MANUFACTURING CO.,

Defendant-Appellant,

and

JOSEPH F. POSILLICO,

Sanctioned Party-Appellant.

ORDER

A combined petition for panel rehearing and rehearing en banc was filed by the defendant-appellant, Hunt Manufacturing Co., and was referred first to the merits panel that heard the appeal. Thereafter, the petition for rehearing en banc was referred to the circuit judges who are in regular active service;

Upon consideration thereof,
IT IS ORDERED THAT:

(1) The petition for rehearing is denied.

(2) The petition for rehearing en banc is denied.

The mandate of the Court will issue on October 17, 2000.

Circuit Judge Linn did not participate in the vote.

FOR THE COURT,

OCT 10 2000

Jan Horbaly
Clerk

cc: Joseph F. Posillico, Esq.
Kevin R. Casey, Esq.
David J. Harth, Esq.

cited as disclosing a paper cutter including a spring means for biasing a cutting blade 45 to an inoperative position on rail assembly 10. However, Spaulding discloses a pair of fixed blades 45 mounted in a cap member 70 which is mounted on a guide rail 10. A pair of springs 23 bias the entire rail 10 to an inoperative position. The entire rail must be pushed down to hold the paper in position with the cutting blade 45 depending in a recess 81. The cutting blade assembly is then pushed transversely across the rail. To incorporate the teaching of Spaulding into Mori would require a complete restructuring of the Mori disclosure, since the rail 35 of Mori is pivotally connected at one end to the rail support 41 and calls for a set of springs to hold the blade in the operative position. Claims 1 and 10, as amended, call for a longitudinally extending rail assembly mounted on the cutting board for pivotal movement about the longitudinal axis of the rail assembly. A carriage assembly is mounted on the rail assembly which is biased to an inoperative position on the rail assembly. The carriage assembly is pushed down by the operator to move the cutter blade from the inoperative position to the operative position for cutting or trimming the paper sheet. The factual inquiry set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 U.S.P.Q. 459, 467 (1966), must be applied to establish a background for determining obviousness.

Supreme Court, U.S.
FILED
MAR 21 2001
CLERK

(2)

No. 00-1296

In The

Supreme Court of the United States

HUNT MANUFACTURING CO.,

Petitioner,

v.

FISKARS, INC. and FISKARS OY AB,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

PETITIONER'S REPLY TO RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

GARY A. HECHT, *Counsel of Record*
JOSEPH F. POSILLICO
MARK D. SIMPSON
SYNNESTVEDT & LECHNER LLP
2600 ARAMARK Tower, 1101 Market Street
Philadelphia, PA 19107
Telephone: (215) 923-4466
Attorneys for Petitioner

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

11 pp

TABLE OF AUTHORITIES

Page

CASES

Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd., 234 F.3d 558, en banc (Fed. Cir. 2000).... *passim*

Warner-Jenkinson Co. v. Hilton Davis Chemical Co., 520 U.S. 17 (1997)..... *passim*

This case involves the same question as that raised in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997): what to do when a patentee is unable to explain the reason for a patent claim amendment. *Warner-Jenkinson* answered this question clearly; prosecution history estoppel bars infringement with respect to that claim amendment under the doctrine of equivalents. The problem is that both the district court and the Federal Circuit have refused to accept this Court's answer and have instead taken a path diametrically opposed to the one chosen by this Court.

Respondents assert that the "decision below is in complete accord with *Warner-Jenkinson*." Res. 6. A step-by-step analysis of *Warner-Jenkinson* shows otherwise.

Warner-Jenkinson established the methodology for determining the scope of the doctrine of equivalents in a situation where a claim amendment has been made during the prosecution of the patent:

1. The patent file history is examined to determine if it reveals the reason for the amendment; if it does not, the *Warner-Jenkinson* presumption applies;

2. Despite the lack of a discernable reason for an amendment in the record, the **patent holder** is given an opportunity to establish the reason for the amendment;

    a. if the patentee establishes the reason for the amendment, then **the court** decides whether the reason is sufficient to overcome prosecution history estoppel as a bar to the application of the doctrine of equivalents; in other words, the court

will take the reason given by the patentee and evaluate the scope of any estoppel in view of that reason; or

b. if the patent holder **cannot** establish a reason, the court must conclusively presume that the patent applicant had a substantial reason related to patentability for including the limiting element added by amendment; in such circumstances, prosecution history estoppel bars the application of the doctrine of equivalents as to that element.

Respondents cannot deny that the *Warner-Jenkinson* presumption must arise in the present case. Respondents acknowledge that the *Warner-Jenkinson* presumption "arises when the prosecution history 'does not reveal' the reason for an amendment. . . . " (Res. 8, citing *Warner-Jenkinson*.)

In the present case the district court plainly found: "[t]his patent history gives no indication why Plaintiffs amended claim 1 by substituting 'carriage assembly' for 'cutting blade.' " (App. 50a). Thus, under *Warner-Jenkinson*, the presumption arises in the present case; the Respondents make no argument to the contrary.

Respondents must also agree that they did not rebut the presumption. After evaluating the extrinsic evidence submitted by Fiskars, the district court observed an "inability" on Fiskars' part to "demonstrate exactly why they adopted this amendment. . . . " (App. 52a).[1] Respondents could not show why the amendment was made,

---

[1] As is now clear from *Festo*, the District Court should not even have considered extrinsic evidence. *Festo Corp. v. Shoketsu*

and thus failed to rebut the *Warner-Jenkinson* presumption.

It is at this critical point that both the district court and the Federal Circuit went significantly astray of the law. Instead of stopping the analysis and applying the unrebutted *Warner-Jenkinson* presumption, the district court refused to apply the presumption. The district court and the Federal Circuit justify the refusal based on the determination that the amendment did not distinguish over the cited prior art. App. 51a-52a. Respondents cite to this determination in arguing that the district court "properly concluded that the presumption was rebutted. . . . " (Res. 8).

Respondents are wrong for two reasons. First, under *Warner-Jenkinson*, a patentee's failure to explain an amendment ends the question – prosecution history estoppel applies. If the patentee cannot explain the reason for the amendment, as was the case here, the court should not become an advocate for the patentee and develop its own explanations for the amendment.

Second, even if courts were permitted to act as advocates for the patentee, it would be improper to rebut the presumption by merely finding that the amendment does not address the examiner's rejection. The presumption arises in the first place because the amendment does not distinguish over the cited prior art. It is illogical to use this same fact to rebut the presumption – yet that is

---

Kinzoku Kogyo Kabushiki Co., Ltd., 234 F.3d 558, en banc (Fed. Cir. 2000).

precisely what the district court and the Federal Circuit have done in this case.

Petitioner acknowledges that, absent any directives to the contrary, the issue raised by Respondents (i.e., is the absence of a reason equivalent to a reason?) could lead to intellectually stimulating discussions about paradox and logic. However, this Court astutely recognized in *Warner-Jenkinson* the possibility of this issue and ended discussion on the issue **before** it arose:

> "In our view, holding that certain reasons for a claim amendment may avoid the application of prosecution history estoppel is not tantamount to holding that the *absence* of a reason for an amendment may similarly avoid such an estoppel."

Warner-Jenkinson, 520 U.S. at 33 (emphasis in original).

The logic of this conclusion is simple. The very purpose in requiring the patentee to come forward with a reason for the amendment is to give the court a "tool" that it can use to determine the scope of any estoppel that the amendment might raise. This is fully explained in Petitioner's Petition (App. 8-13) and need not be repeated here. What needs to be emphasized is that, after all the protestations of Respondents, and after all the district court analysis, and after all the Federal Circuit analysis, *the reason for the amendment remains unknown*. Therefore, no court has ever had before it a reason that could be used to determine the scope of the estoppel.

To make matters worse, going forward in spite of *Warner-Jenkinson* and lacking the "tool" that *Warner-Jenkinson* required to determine the scope of the estoppel,

the district court found that the scope of the estoppel would be **zero**. In direct contravention of *Warner-Jenkinson*, the district court allowed the consequences of the Respondents' ambiguity to fall on the Petitioner and thus the public at large, instead of on the Respondents/patentee. This is diametrically opposed to the intent of this Court as expressed in *Warner-Jenkinson*.

In *Warner-Jenkinson*, this Court noted that "[b]ecause respondent has not proffered in this Court a reason for the [claim amendment], it is **impossible** to tell whether the reason for that amendment could properly avoid an estoppel." *Id.* at 34 (emphasis added). This Court then remanded the case to the Federal Circuit to "consider whether reasons for that portion of the amendment were offered or not and whether further opportunity to establish such a reason would be proper." *Id.*

Having had the benefit of the *Warner-Jenkinson* decision for guidance, the Respondents herein had every opportunity to proffer their reasons; they simply failed to do so. Without any reason for the amendment, the district court should have found that it was "impossible to tell whether the reason for that amendment could properly avoid an estoppel." *Id.* Instead, the district court arbitrarily concluded that there was **no** estoppel. *Warner-Jenkinson* forbids this conclusion.

Tellingly, Respondents do not distinguish the present situation from the situation anticipated by this court in *Warner-Jenkinson*, because they cannot do so.

Unable to distinguish the present situation from the situation anticipated by this Court unanimously in

Warner-Jenkinson, Respondents instead attempt to circumnavigate Petitioner's argument by asserting that the rule of *Warner-Jenkinson* should not be applied as to patent applications that were prosecuted prior to the *Warner-Jenkinson* ruling. Respondents cite to the "cautionary note" of Justice Ginsburg, joined by Justice Kennedy, in a concurring opinion which did not form a part of the unanimous opinion in *Warner-Jenkinson*. (Res. 9).

The potential problem raised by Justice Ginsburg's has not materialized; indeed, the two patents-in-suit in *Festo* issued more than 15 years prior to this court's decision in *Warner-Jenkinson* and yet the Federal Circuit fairly and appropriately applied the *Warner-Jenkinson* rule with respect to the prosecution of these patents.

Respondents make other arguments in their brief; these arguments can be characterized as perfunctory at best and merely divert the Court's attention to ancillary and, with respect to this case, irrelevant issues, instead of on the rule of law set forth in *Warner-Jenkinson*. Fiskars asserts that Petitioner's Question 2 is a "hypothetical question not raised by the record in this case," stating that the claim amendments at issue "were not made in response to a prior art rejection" and that the district court did not base its rejection of prosecution history estoppel "exclusively on a conclusion that the added claim element does not distinguish the prior art." (Res. 4-5).

The Examiner rejected all claims in an August 26, 1993 Office Action (App. 35a). The claims were rejected based upon two patents. (App. 35a). On November 11, 1993, Fiskars filed a "**Response** and Amendment". This

"response" created the claim amendment now at issue. The amendment was a "response" to the rejection - nothing could be plainer.

In any event, the *Festo* decision makes this issue irrelevant. Under *Festo*, voluntary claim amendments, that is, amendments not made in response to a rejection, are treated the same as other amendments.

It is relevant, however, that the decisions below applied a definition of patentable purpose that is inconsistent with the definition established in *Festo*. In *Festo*, the Federal Circuit held that prosecution estoppel can arise "from *any* reason which relates to the statutory requirements for a patent," including 35 U.S.C. §§ 101, 102, 103 and 112. *Id.* at 566 (emphasis in original).

Respondents cite repeatedly (Res. 3, Res. 5 (twice), Res. 7, Res. 11) to the phrase used by the district court that the claim amendment in the present case was "not to avoid prior art *or for any other patentability consideration*" as an indication that the trial court applied a proper *Festo* definition of patentability. Rather than supporting Respondents' argument, this statement actually proves that an improperly narrow definition of patentability was used by the district court and by the Federal Circuit.

The district court said that the amendment was not made for "any other patentability consideration" but in fact only evaluated the amendment for its ability to distinguish over the prior art cited by the examiner.

Neither the district court nor the Panel evaluated the amendment from the perspective of 35 U.S.C. §§ 101 or 112.

The record is clear – the district court based its decision exclusively on a conclusion that the added claim element does not distinguish the cited prior art under 35 U.S.C. § 103. There is no analysis of any other statutory provision.

The Panel also clearly understood that the district court considered patentability to be limited. The Panel held that "the amendment substituting 'carriage assembly' for 'cutting blade' was not directed to distinguishing the claims from the cited references, *and thus* that the amendment was not made for reasons of patentability." App. 6a-7a (emphasis added). It is clear that both the district court and the Panel improperly limited "patentability" reasons to distinguishing the claims from the cited references.

Finally, Respondents argue that the Federal Circuit has already considered this case in light of *Festo*. First, *Festo* was not decided at the time this case was decided and thus could not have served as precedent in the present case. Further, as acknowledged by Respondents, the Federal Circuit analyzed the trial record and concluded that the district court "looked only at whether the claim amendment distinguished the prior art cited by the patent examiner" (Res. 5). Had *Festo* been decided at the time the present case was decided, the Federal Circuit would have had to look at more than just prior art issues respecting the claim amendment.

The above facts *highlight* the importance of, at a minimum, vacating and remanding the Panel Decision, with instructions to establish whether the amendment was not made for "*any* reason which relates to the statutory requirements for a patent" (*Festo* at 566 (emphasis in original)).

Respectfully submitted,

Dated: March 21, 2001

GARY A. HECHT
PA Attorney ID No. 62277
JOSEPH F. POSILLICO
PA Attorney ID No. 45189
MARK D. SIMPSON
PA Attorney ID No. 53387

SYNNESTVEDT & LECHNER LLP
2600 ARAMARK Tower
1101 Market Street
Philadelphia, PA
19107-2950
(215) 923-4466
(215) 923-2189 (FAX)

Supreme Court, U.S.
FILED
MAR 5 2001
OFFICE OF THE CLERK

No. 00-1296

In The

Supreme Court of the United States

HUNT MANUFACTURING CO.,

Petitioner,

v.

FISKARS, INC. AND FISKARS OY AB,

Respondent.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

RESPONDENT'S BRIEF IN OPPOSITION

DAVID J. HARTH*
HELLER EHRMAN WHITE & MCAULIFFE
10 East Doty Street
Suite 800
Madison, WI 53703
(608) 441-5180

JOAN L. EADS
SHARON MOLLMAN ELLIOTT
NAIKANG TSAO
FOLEY & LARDNER
150 East Gilman Street
Madison, WI 53701
(608) 257-5035

Counsel for Respondent

**Counsel of Record*

March 5, 2001

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

COUNTERSTATEMENT OF THE QUESTIONS PRESENTED

1. Must a court apply prosecution history estoppel even when it finds that an amendment to a patent claim was not made for *any* reason related to patentability?

2. Does evidence that a patent claim was not amended for reasons related to patentability rebut any presumption that it was?

RULE 29.6 CORPORATE DISCLOSURE STATEMENT

Fiskars, Inc. is a subsidiary of Fiskars Holdings, Inc., which in turn is a subsidiary of Fiskars OY AB. Fiskars, Inc. recently changed its name to Fiskars Consumer Products, Inc.

Fiskars OY AB has no parent company; it is publicly traded on the Helsinki stock exchange.

TABLE OF CONTENTS

Page

COUNTERSTATEMENT OF THE QUESTIONS PRESENTED i

RULE 29.6 CORPORATE DISCLOSURE STATEMENT ii

TABLE OF CONTENTS iii

TABLE OF AUTHORITIES iv

BRIEF IN OPPOSITION 1

OPINIONS BELOW 1

STATEMENT OF THE CASE 2

REASONS FOR DENYING THE WRIT 4

A. The petition seeks review of a hypothetical question not raised by the record in this case 4

B. The decision below is in accord with this Court's decision in *Warner-Jenkinson* 6

C. The Federal Circuit has already considered this case in light of *Festo* 10

CONCLUSION 11

TABLE OF AUTHORITIES

Page

CASES

Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 234 F.3d 558 (Fed. Cir. 2000) 1, 4, 10, 11

Graver Tank & Manufacturing Co. v. Linde Air Products Co., 339 U.S. 605 (1950) 6

Warner-Jenkinson Co. v. Hilton Davis Chemical Co., 520 U.S. 17 (1997) 6, 7, 8, 9, 10

RULES

S. Ct. Rule 10 1

OTHER AUTHORITIES

21 Charles A. Wright & Kenneth W. Graham, *Federal Practice & Procedure* § 5125, at 601-02 (1977 & Supp. 2000) 8

BRIEF IN OPPOSITION

The respondents, Fiskars, Inc. and Fiskars OY AB (collectively, "Fiskars"), respectfully ask this Court to deny the petition for a writ of certiorari to review the decision of the United States Court of Appeals for the Federal Circuit, reported at 221 F.3d 1318. The petition seeks review of a hypothetical question unsupported by the record, ignores inconvenient factual findings, manufactures a conflict where none exists – and still fails to disguise the ordinariness of this garden-variety case or to present any compelling reason for granting review. *See* S. Ct. Rule 10. The petition also seeks remand for reconsideration in light of the Federal Circuit's subsequent decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000), once again manufacturing a conflict where none exists and ignoring the fact that the *en banc* Federal Circuit had *Festo* in front of it when it denied rehearing in this case. For these and other reasons set out below, the petition should be denied.

OPINIONS BELOW

The Court of Appeals' opinion and the district court's opinion on summary judgment are noted in the petition and reproduced in the petition's appendix. The district court's opinion on the petitioner's post-trial motions is not reported, but is reproduced at R-App. 1-23.

STATEMENT OF THE CASE

A jury awarded Fiskars more than $3 million in damages when it found that petitioner Hunt Manufacturing Company ("Hunt") had infringed Fiskars' patent. App. 12a. Fiskars' patent claims a rotary paper trimmer, a device that consists of a cutting board with a mounted carriage assembly that slides along a rail. R-App. 2. The carriage assembly incorporates a circular cutting blade that cuts or scores paper when the user presses the carriage down and moves it along the rail. R-App. 2-4. A spring assembly in the carriage lifts the carriage (and thus the blade) to an inoperative position when the user is not pressing down on the carriage. R-App. 5.

Fiskars found a considerable market for the patented device. R-App. 18-19. Realizing that Fiskars' trimmer was the only such device available in retail channels, R-App. 19, Hunt began selling its own rotary trimmer, a device that the jury found infringed Fiskars' patent. R-App. 19.

The jury's finding was based on the doctrine of equivalents. App. 1a. Hunt's trimmer consisted of a cutting board with a mounted carriage assembly that slid along a rail. App. 22a. The carriage assembly incorporated a circular cutting blade that cut paper when the user pressed down on the top of the carriage and moved it along the rail. App. 22a. The difference between Hunt's device and the device claimed in Fiskars' patent is that in Hunt's device, a spring lifted the cutting blade, rather than the entire carriage, to an inoperative position when the user is not pressing down. App. 23a. The district

court found that this difference avoided literal infringement of the Fiskars' patent, App. 47a, but the jury found infringement based on equivalence. App. 1a.

Hunt appealed to the Federal Circuit, arguing that the doctrine of prosecution history estoppel barred any claim of equivalence because during the prosecution of the patent, Fiskars had changed a claim describing the means for lifting the "cutting blade" to one describing the means for lifting the "carriage assembly." App. 5a-7a. The district court had rejected this argument after a careful and detailed analysis of the prosecution history of Fiskars' patent, concluding that the amendment "did not go to patentability." App. 33a-39a; 47a-56a; *see especially* App. 53a. Noting that prosecution history estoppel applies "only if the purpose of the [amendment] was to avoid prior art or address similar patentability concerns," the court looked to the purpose of the amendment. App. 48a. The district court found "strong evidence in the prosecution history that the amendment did not relate to patentability." App. 52a. The district court noted that the amendment did nothing to distinguish the prior art that the patent examiner had cited in rejecting Fiskars' first application, and that it did not address any of the examiner's objections about indefiniteness. App. 50a-51a. The court determined that the amendment was simply one of several "technical changes" that "did not go to patentability." App. 53a.

Concluding that "the prosecution history was sufficient to inform the reasonable public that the amendment . . . was not to avoid prior art or for any other patentability consideration," the district court ruled that Fiskars was not estopped from claiming infringement

under the doctrine of equivalents. App. 53a. The Federal Circuit, declaring that it could "discern no reversible error in the district court's conclusion," affirmed. App. 7a.

Hunt sought rehearing *en banc*. A year earlier, the Federal Circuit had granted rehearing *en banc* in *Festo* to resolve a number of issues involving prosecution history estoppel; the *Festo* decision was still pending when Hunt sought rehearing in this case. When the Federal Circuit denied Hunt's request for a rehearing *en banc* on October 10, 2000, App. 57a, Hunt moved to recall the mandate, arguing that "the finality of the decision in the present appeal should only be effected after consideration of the decision in *'Festo.*" R-App. 26. The court denied Hunt's request on October 31, 2000. R-App. 30. A month later, it issued its *en banc* decision in *Festo*.

REASONS FOR DENYING THE WRIT

A. The petition seeks review of a hypothetical question not raised by the record in this case.

Hunt asserts that one of the questions presented by this case is whether it is error to hold that

> a claim amendment, made in response to a prior art rejection, does not create prosecution history estoppel based exclusively on a conclusion that

> the added claim element does not distinguish the prior art.

Pet. *i*.

There are two problems with Hunt's question. First, the district court expressly found that the claim amendment at issue here was *not* made in response to a prior art rejection. App. 50a, 52a-53a. Second, the district court did not base its rejection of prosecution history estoppel "exclusively on a conclusion that the added claim element does not distinguish the prior art"; in fact, the court concluded that the amendment did not relate to prior art or "any other patentability consideration." App. 53a.

While the Federal Circuit's discussion of the district court's analysis of the prosecution history may suggest that the district court looked only at whether the claim amendment distinguished the prior art cited by the patent examiner, App. 7a, the district court expressly found that the amendment was "not to avoid prior art *or for any other patentability consideration*." App. 53a (emphasis added). The district court noted that the amendment did not address any of the patent examiner's objections about indefiniteness or prior art, and that other facts in the prosecution history showed that the amendment was simply one of several "technical changes" that "did not go to patentability" at all. App. 50a-51a, 53a.

The facts presupposed by this question – that the amendment was made in response to a prior art rejection and that the court did not consider whether the amendment related to any other issue of patentability – are simply not supported in the record. Without the essential factual predicates, the question Hunt posits is nothing

more than a hypothetical. The legal question raised in Hunt's petition, therefore, presents no reason – much less a compelling reason – to grant review.

B. The decision below is in accord with this Court's decision in *Warner-Jenkinson.*

Hunt's main argument boils down to a claim that the decision below conflicts with this Court's decision in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997). In fact, the decision below is in complete accord with *Warner-Jenkinson*.

At issue in *Warner-Jenkinson* was the scope of the doctrine of equivalents. *Id.* at 21. Over 50 years ago, this Court in *Graver Tank & Manufacturing Co. v. Linde Air Products Co.*, 339 U.S. 605 (1950), established "the modern contours of what is known in the patent law as the 'doctrine of equivalents.' " *Warner-Jenkinson*, 520 U.S. at 21. That doctrine recognizes that "a product or process that does not literally infringe upon the express terms of a patent claim may nonetheless be found to infringe if there is 'equivalence' between the elements of the accused product or process and the claimed elements of the patented invention." *Id.* The petitioner in *Warner-Jenkinson* sought to avoid the doctrine of equivalents by asking the Court either to eliminate the doctrine by overruling *Graver Tank* or to greatly limit the application of the doctrine by expanding the application of prosecution history estoppel. *Id.* at 21, 30.

The Court refused to do either. First it rejected petitioner's argument that the doctrine of equivalents conflicted with various provisions of the 1952 Patent Act,

holding that Congress was aware of the doctrine when it enacted the 1952 Act and chose not to eliminate it. *Warner-Jenkinson*, 520 U.S. at 22. Then the Court turned to petitioner's argument that prosecution history estoppel should be expanded to limit application of the doctrine of equivalents. Historically, prosecution history estoppel precluded a patent holder from using the doctrine of equivalents to reach subject matter that the applicant disclaimed or surrendered in order to obtain the patent. *Id.* at 30. The petitioner in *Warner-Jenkinson* asked the Court to expand this limitation by precluding a patentee from asserting equivalence of subject matter surrendered for *any* reason during prosecution, arguing that inquiry into the reasons for a claim amendment undermines the public's right to clear notice of the scope of the patent. *Id.* The Court did not agree. Instead, it reaffirmed that prosecution history estoppel must be "tied to amendments made . . . to address a specific concern . . . that arguably would have rendered the claimed subject matter unpatentable." *Id.* at 30-31.

Under *Warner-Jenkinson*, then, amendment of an element of a claim during patent prosecution "does not necessarily preclude infringement by equivalents" if the change did not address a specific concern going to the patentability of the subject matter. *Id.* at 33. Here, the district court found "strong evidence in the prosecution history" that the change at issue "did not go to patentability," or more specifically, that it did not relate to prior art or "any other patentability consideration." App. 52a-53a. Because the change did not relate to patentability, *Warner-Jenkinson* does not bar Fiskars' reliance on

the doctrine of equivalence. There is thus no conflict between the decisions below and *Warner-Jenkinson*.

Hunt nevertheless contends that there *must* be a conflict because *Warner-Jenkinson* created a presumption that unexplained claim amendments were made for reasons of patentability, and the amendment here was unexplained. Pet. 11. The presumption created in *Warner-Jenkinson*, however, is rebuttable. *Warner-Jenkinson*, 520 U.S. at 32.

A presumption may be rebutted by evidence that negates the conclusion or its factual predicates. 21 Charles A. Wright & Kenneth W. Graham, *Federal Practice & Procedure* § 5125, at 601-02 (1977 & Supp. 2000). The *Warner-Jenkinson* presumption arises when the prosecution history "does not reveal" the reason for an amendment and thus does not give someone looking at that history notice as to which amendments were made "to address a specific concern . . . that arguably would have rendered the claimed subject matter unpatentable." *Warner-Jenkinson*, 520 U.S. at 30-31, 33. When that factual predicate is met, a court must presume that the amendment was made for "a substantial reason related to patentability." *Id.* at 33.

Here, the district court found that "the prosecution history was sufficient to inform the reasonable public that the amendment . . . was not to avoid prior art or for any other reason related to patentability." App. 53a. Because there was evidence negating the conclusion that the claim amendment was made for reasons relating to patentability, the court properly concluded that the presumption was rebutted and estoppel did not apply. App. 51a, 53a.

Hunt, however, suggests that the presumption, which arises when there is no proof of the reason for an amendment, can only be rebutted by the very thing whose absence gave rise to the presumption in the first place: proof of the reason for the amendment. Pet. 10. This Catch-22, Hunt contends, is not unfair because it "ensures that the consequences of ambiguity fall on the patentee, who is in a position to prevent the ambiguity." *Id.* at 9. While this argument may have some merit when applied to applicants prosecuting their claims today, the district court recognized that the opposite is true when the "patent was prosecuted and issued before *Warner-Jenkinson* was decided, with the applicant and the examiner unaware of the presumptions that might arise from any unexplained amendments." App. 52a (citing *Warner-Jenkinson*, 520 U.S. at 41 (Ginsburg, J., concurring) ("The new presumption, if applied woodenly, might in some instances unfairly discount the expectations of a patentee who had no notice at the time of patent prosecution that such a presumption would apply.")). *Cf. Warner-Jenkinson*, 520 U.S. at 32 (refusing to "upset the basic assumptions of the PTO" when "the PTO has been requesting changes in claim language without the intent to limit equivalents or, indeed, with the expectation that the language it required would . . . *allow* for a range of equivalents.").

The Federal Circuit was right to find "no reversible error in the district court's conclusion." App. 7a. The district court correctly concluded that the prosecution history was sufficient to apprise the public that the amendment was not made for any reason related to patentability. App. 51a, 53a.

Since there is no conflict between *Warner-Jenkinson* and the decisions below, the petition should be denied.

C. The Federal Circuit has already considered this case in light of *Festo*.

Hunt contends that this case should be vacated and remanded in light of the Federal Circuit's subsequent decision in *Festo*. But the *en banc* Federal Circuit has already considered this case in light of *Festo*: it denied Hunt's petition for rehearing *en banc* even as it was finalizing its decision in *Festo*.

The Federal Circuit was certainly aware that this case involved issues relating to prosecution history estoppel as did the pending *Festo* case. The *en banc* court had both cases in front of it at the same time. *See* App. 58a; *Festo*, 234 F.3d 558 (argued Mar. 29, 2000). Moreover, Hunt specifically requested that the court wait until it had issued its decision in *Festo* before making its decision in this case final. R-App. 28. The Federal Circuit, however, saw no reason to rehear this case, delay its decision or stop its mandate in light of *Festo*. App. 58a; R-App. 30.

The *en banc* court's decision to deny rehearing in this case while considering *Festo* is not surprising since the decision here is in accord with *Festo*. As the *en banc* court in *Festo* explained, "[t]he logic of prosecution history estoppel is that the patentee, during prosecution, has created a record that fairly notifies the public that the patentee has surrendered the right to claim particular matter as within the reach of the patent." *Festo*, 234 F.3d 558, 564-65. The district court in this case found that "the

prosecution history was sufficient to inform the reasonable public" that Fiskars did *not* surrender its right to claim the subject matter at issue here. *See* App. 53a.

Hunt suggests there is a conflict with *Festo* because *Festo* ruled that prosecution history estoppel applies when an amendment is made for *any* reason related to patentability, not just to avoid prior art. Pet. 15-16. But the district court here expressly found that the amendment "was not to avoid prior art *or for any other reason related to patentability.*" App. 53a. Since the lower court's decision is in accord with the subsequent decision in *Festo*, there is no reason to remand for reconsideration.

CONCLUSION

For all of the foregoing reasons, the petition for a writ of certiorari should be denied.

Respectfully submitted,

DAVID J. HARTH*
HELLER EHRMAN WHITE & MCAULIFFE
10 East Doty Street
Suite 800
Madison, WI 53703
(608) 441-5180

JOAN L. EADS
SHARON MOLLMAN ELLIOTT
NAIKANG TSAO
FOLEY & LARDNER
150 East Gilman Street
Madison, WI 53701
(608) 257-5035

Counsel for Respondent

**Counsel of Record*

March 5, 2001

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

FISKARS, INC. and FISKARS OY AB,

Plaintiffs,

v.

HUNT MANUFACTURING CO.,

Defendant.

OPINION AND ORDER

97-C-0255-C

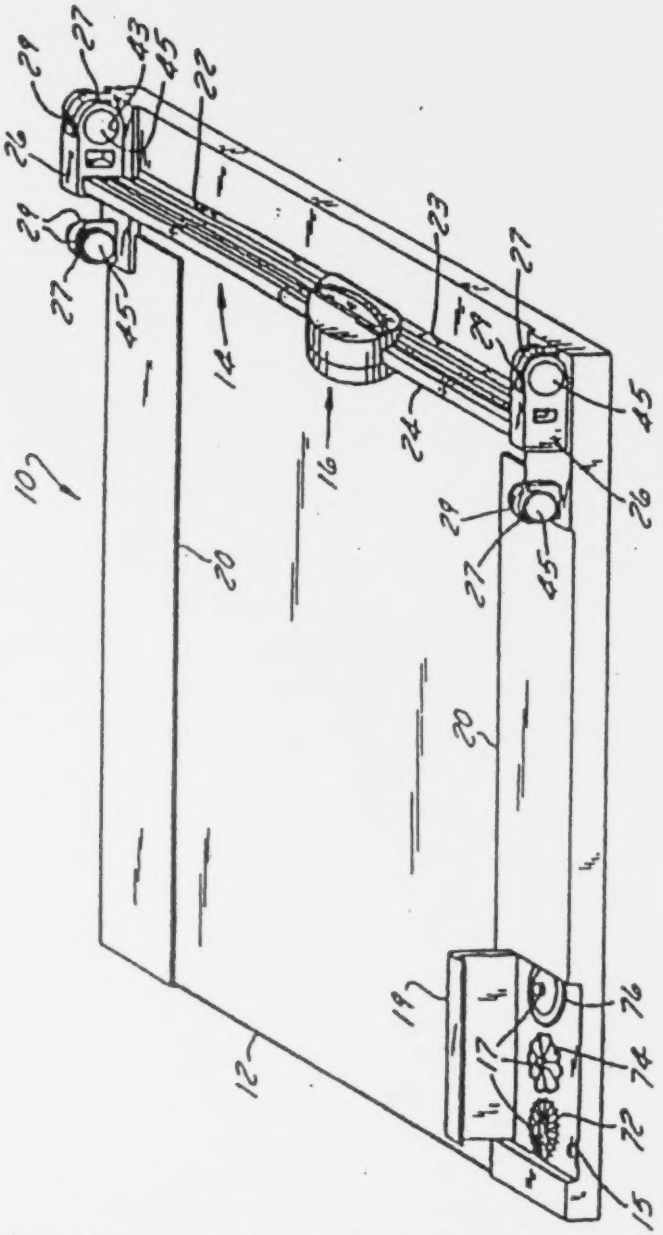
This civil case for patent infringement was tried to a jury in May 1998. The jury found that defendant Hunt Manufacturing Co. had infringed plaintiffs' U.S. Patent No. 5,322,001 and it awarded damages to plaintiffs for lost profits ($114,760), price erosion ($1,127,650) and future damages attributable to price erosion ($1,856,552). The case is now before the court on motions by defendant pursuant to Fed. R. Civ. P. 50(a) to enter judgment for it as a matter of law and pursuant to Fed. R. Civ. P. 59(e) to vacate the judgment in favor of plaintiffs or alternatively, to grant defendant a new trial. For their part, plaintiffs have moved for an award of attorney fees and expenses and for prejudgment interest.

I conclude that the jury had sufficient evidence to support the verdict and that defendant has failed to show that any of the court's pretrial rulings were erroneous. Accordingly, I will deny defendant's motions. Plaintiffs have not shown their entitlement to an award of attorney fees and expenses except with respect to defendant's counterclaim for inequitable conduct. Their motion for

attorney fees and expenses will be denied in all other respects. Defendant does not dispute plaintiffs' right to prejudgment interest or the amount to which plaintiffs are entitled.

I. BACKGROUND

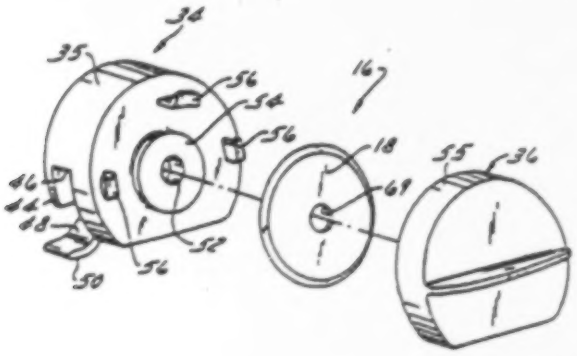
The patent in issue covers a paper cutter with circular blades. Essentially, the invention consists of a cutting board assembly for cutting paper sheets that has a pivotally mounted rail assembly on which is mounted a carriage incorporating a circular cutting blade, as shown in Fig. 1 of the '001 patent.



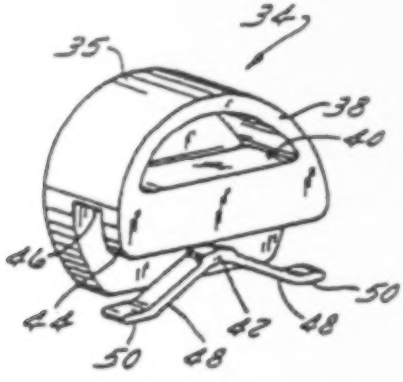
When the user presses down on the carriage assembly 16, the carriage assembly pushes downward on the rail assembly 14 to move the cutting board to an operative position against a self-healing pad 22. The user can then

BEST AVAILABLE COPY

move the carriage assembly back and forth along the rail assembly to cut or trim paper. Fig. 5 below shows the blade 18 placement within the carriage assembly.

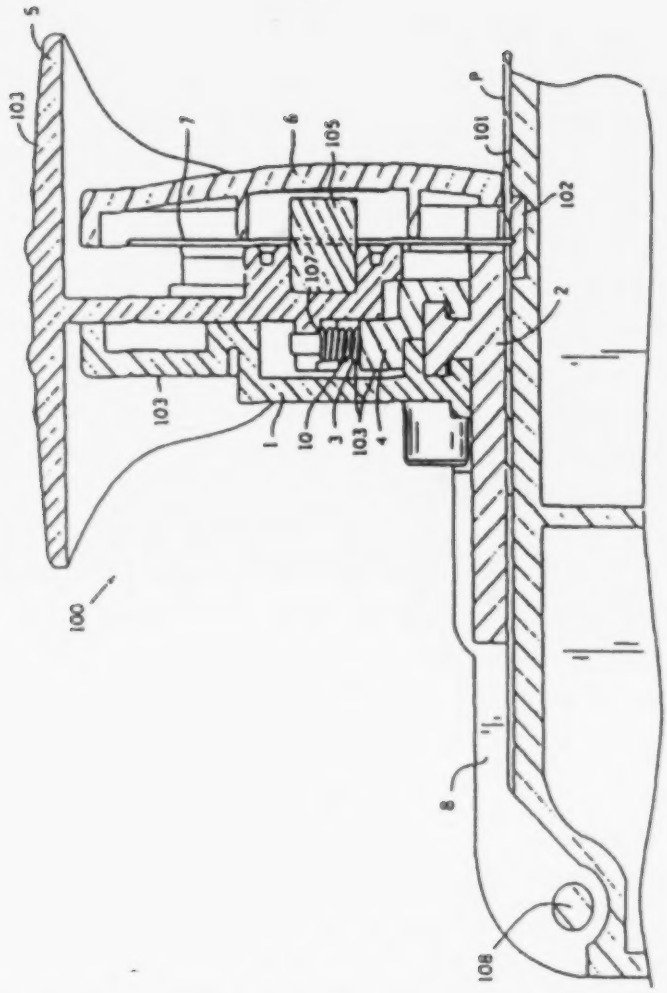


When pressure is removed from the carriage assembly, the rail assembly is biased to an inoperative position away from the cutting board. The biasing is accomplished by a pair of leaf springs mounted in the bottom of the carriage assembly, as shown in Fig. 6 below.



Defendant's product is called a "Heavy Duty Rotary 12" Paper Trimmer." It is a device in which paper is cut by a round blade housed in a carriage assembly, with a portion of the blade protruding from the bottom of the carriage assembly. The carriage assembly is mounted on

and slides along a rail, which is attached to the cutting board. The user positions the paper to be cut under the rail and then presses down on the top of the carriage assembly or handle/blade support to which the blade is attached, pushing the blade down and into contact with the cutting surface. As in plaintiffs' invention, the carriage assembly slides along the rail and across the paper, allowing the blade to cut the paper. When the carriage assembly is released, a helical spring located in the carriage assembly pushes the handle/blade support upward, lifting the blade to an inoperative position not in contact with the cutting surface.



In their complaint, plaintiffs contended that defendant's device literally infringed independent claim 8 of the '001 patent, which discloses "a spring assembly formed on said carriage assembly for biasing said carriage assembly to an inoperative position," and dependent claim 9 and that it infringed independent claims 1 and 6 under the doctrine of equivalents, as well as claims 2 and 5, which are dependent on claim 1. Defendant moved for summary judgment, asserting that its device

did not infringe either literally or by the doctrine of equivalents. In an opinion entered March 30, 1998, I granted the motion as to literal infringement, finding that claim 8 and dependent claim 9 of the '001 patent disclose a spring assembly that is structured to influence or move the entire carriage assembly whereas defendant's device biases, that is, influences directionally, only the blade handle carrier. In the same opinion, I held that defendant's device incorporates "a spring assembly formed on said carriage assembly," as disclosed in claim 8 and that it was irrelevant that defendant's device uses helical springs in place of the leaf springs shown in plaintiffs' preferred embodiment. I denied defendant's motion as to infringement by the doctrine of equivalents, holding that the doctrine of prosecution history estoppel did not bar plaintiffs from pursuing their contentions that defendant's accused device infringed claims 1, 2, 5, 6, 8 and 9 of the '101 patent. Therefore, plaintiffs could prevail on their infringement action as to claims 8 and 9 if they demonstrated that the helical spring biasing mechanism of the accused device performs substantially the same function, in substantially the same way, to produce substantially the same result as the biased carriage assembly element disclosed in those claims and, if that equivalence is established, they could prevail under claims 1, 2, 5 and 6 if they could demonstrate that defendant's helical spring is equivalent to the leaf spring and spring blade elements disclosed in those claims.

On March 27, 1998, the deadline for the filing of § 282 notices of prior art on which the parties intended to rely at trial, defendant filed a list of more than 60 references, only one of which had been the subject of an expert

report. On April 8, 1998, defendant filed a supplemental § 282 notice, identifying one piece of prior art. On April 10, 1998, defendant provided plaintiffs with a supplement to the first and second expert reports of one of its experts and a new expert report from another expert. These reports included new opinions on four prior art references. On April 16, 1998, defendant filed a second supplemental § 282 notice, identifying two references.

On the Thursday before the scheduled April 27, 1998 start of trial, defendant advised plaintiffs of a newly discovered Taiwanese patent that, in defendant's opinion, was the single most important piece of prior art. The patent existed only in its original form, in Mandarin Chinese, and had not yet been translated. In view of defendant's characterization of the patent, I continued the trial for three weeks to give the parties an opportunity to have the patent translated and to evaluate its significance. I allowed defendant to supplement its experts' reports with opinions limited solely to the Taiwanese patent. Also, I held that defendant was barred from offering any testimony at trial on any prior art references that had not been the subject of expert opinions. Despite this admonition, defendant provided plaintiffs with a May 1, 1998 expert report that covered a number of prior art references in addition to the Taiwanese patent, none of which had been the subject of a § 282 notice or of a previously disclosed expert opinion.

At the final pretrial conference held on April 23, defendant argued that it should be allowed to present evidence on the defenses of inventorship, best mode and patent misuse. I ruled that defendant could not raise any of these defenses. Although it had identified these

defenses fleetingly in its answer, defendant had never referred to best mode or inventorship again, even in answers to interrogatories served early in the case in which it was asked to set forth all of the facts and evidence upon which it was basing its affirmative defenses. Defendant had never supplemented its answers to add these defenses. Having failed to alert plaintiffs to the possibility that it would rely on these defenses, it was barred from doing so on the eve of trial. I denied the request to put in evidence of patent misuse because no antritrust issues were being tried.

During the interval between the final pretrial conference and the rescheduled trial, the parties briefed the remaining issues of claim construction. I issued a written opinion on these issues on May 13, 1998.

II. DEFENDANT'S POST-TRIAL MOTIONS

A. Pretrial Rulings

Defendant challenges every aspect of the trial and the majority of the pretrial rulings. At the outset, it argues that the court erred in holding that plaintiffs were not barred by prosecution history estoppel from arguing infringement under the doctrine of equivalents. It argues also that it was unfairly prejudiced by orders excluding items of prior art that were not the subject of a § 282 notice and of an expert opinion and by the order preventing it from raising the affirmative defenses of improper inventorship, failure to disclose the best mode of practicing the invention and patent misuse. Also, defendant objects to the decision excluding it from offering evidence

of the patentability of its own device or more accurately, the unpatentability of its device, in light of the disclosures of the Taiwanese patent.

Many of defendant's complaints are premised on a significant misunderstanding of the way trial preparation is to proceed. Defendant seems to view the process as fluid and subject to change up to and including the trial itself. (Indeed, it seems to think that even trial is not the end and that it should be free to raise new arguments at this stage.) Before 1938, defendant's view might have had some adherents in the judiciary; since then, however, the courts operate under the civil rules and the principle that the parties are to make full disclosure of their cases and to do so in time to let their opponents prepare. In this case, the magistrate judge set deadlines for the completion of discovery, for the filing of expert reports, for the filing of dispositive motions and for disclosure of lay witnesses. Despite the deadlines, defendant continued to "discover" new evidence and submit new expert reports long after the time had run for doing so. Now it argues that it was treated unfairly by being denied the opportunity to use the evidence that "turned up" at the last minute, as if, in plaintiffs' apt phrase, discovery were like mushrooms that pop out of the ground after a rain and not the result of assiduous effort on the part of counsel. Defendant maintains that the court has an obligation to give counsel a chance to develop this late-popping discovery unless plaintiffs can show prejudice. Considering that defendant was given a three-week continuance to accommodate its late discovery of the Taiwanese patent, its complaints of being cut off unfairly fail to resonate with any authority. Its complaints about the inequity of

having to produce expert reports fare no better. Defendant knew the deadline for producing these; it knows that the relevancy of prior art needs the testimony of an expert; it has no real excuse for failing to obtain and produce expert reports on any prior art it thought was critical to its case. Defendant's trial counsel is no novice. He cannot argue credibly that defendant had no warning that it would be precluded from using prior art that was not the subject of an expert report.

Nothing in defendant's post-trial motions persuades me that the challenged pretrial rulings were erroneous. In fact, defendant makes little attempt to argue these points; for the most part, it simply cites its earlier filed motion and briefs as support for its argument that its motions were decided wrongly, ignoring the long-entrenched maxim that Rules 59 and 50 are not intended to be vehicles for rearguing matters that have been resolved.

B. Sufficiency of Evidence on Infringement Under The Doctrine of Equivalents

According to defendant, the jury had no substantial evidence on which to base its finding that defendant's rotary trimmer infringed plaintiffs' patent by the doctrine of equivalents. Defendant argues that plaintiffs failed to show that for each element in their patent that is not present literally in the accused device, the device has a feature that is only insubstantially different from the claim element and that performs the same function of the claim element.

Plaintiffs argue that they met their burden of proof by adducing evidence, primarily from Professor DeVries,

that the helical spring in defendant's device performed the function to which plaintiffs' claims were directed: lifting the cutting blade to an inoperative position from the surface of the cutting board. Depressing the spring enables the user to cut; releasing it moves the blade to an inoperative position. Defendant maintains that the "function" at issue is biasing the entire carriage assembly, a function its device does not perform because defendant's version of the rotary cutter uses a helical coil spring to bias the blade carrier handle rather than the entire carriage assembly.

In granting summary judgment to defendant on literal infringement, I relied on the fact that the biasing mechanism in plaintiffs' patent biased the entire carriage assembly, whereas in defendant's device the mechanism biased only the blade carrier handle. Although I concluded that plaintiffs could not show literal infringement, I added that plaintiffs might be able to prevail on their infringement claim under the doctrine of equivalents "if they demonstrate that the helical spring biasing mechanism of the accused device performs substantially the same function, in substantially the same way, to produce substantially the same result as the biased carriage assembly element disclosed [in the patent]." Opin. and Order of March 30, 1998 at 29. Whether helical coil or leaf, the spring performs the same function of causing a bias to take place. Biasing either the entire carriage assembly or just the blade carrier handle is an insubstantial change in function if the mechanism performs the essential function of the patented invention: biasing all or a portion of the carriage assembly to lift the blade from the cutting surface to an inoperative position. Plaintiffs

adduced sufficient evidence to enable a reasonable jury to find that defendant's device performed a function that was essentially the same as that performed by the patented invention.

Professor DeVries testified that both a helical coil and a leaf spring operate by the release of internal, stored energy of the spring force. This was sufficient to show that the way both kinds of springs function is equivalent.

Professor DeVries testified that whichever kind of spring is used, the result is the same: the operation of the spring allows a user to cut when pressing down on the carriage assembly and to lift the blade away from the cutting board when the user releases the carriage assembly. This was evidence sufficient to allow the jury to find that the result achieved by the accused device was the same as that claimed by the patent. Defendant contends that the jury could not have reached this conclusion because the result of the coil spring in its device is to urge the blade to a fully retractable storage position in the carriage assembly, which is something plaintiffs did not claim. The jury could have found reasonably that the difference between fully retractable and not fully retractable blades in the two devices was not a substantial difference. In each instance, the blade was biased away from the cutting surface by the action of the spring.

Finally, Professor DeVries testified that a person of ordinary skill in the art of cutting device design would consider the coil spring in the accused device interchangeable with the leaf springs claimed in the invention.

Defendant places considerable weight on the difference in the way the blades are mounted in the accused

device and as shown in the patent. The jury did not have to find that this difference was significant. It could reasonably have relied on Professor DeVries's testimony that the mounting difference was small and inconsequential.

Finally, defendant challenges the equivalency finding by arguing that plaintiffs never proved that the spring in defendant's device not only biased the carriage assembly but preformed [sic] the function of supporting the carriage assembly for sliding movement along the rail. As plaintiffs point out, the supporting function is a part of only one claim (6) of the patent and, in any event, their expert, Professor DeVries, showed how the spring in defendant's device performed the same function of support as the leaf spring in plaintiffs' invention.

Defendant challenges the jury verdict by arguing that Professor DeVries compared the accused device to plaintiffs' actual product, rather than to the claims of the patent in issue. Defendant is wrong in thinking that Professor DeVries rested his comparison on plaintiffs' device. In fact, he compared elements of the accused device to elements set out in claim charts.

C. Claim Construction

Because the claims were construed in a written opinion entered on May 13, 1998, I will not discuss defendant's post-trial challenges to that decision. Defendant has had ample opportunities to be heard on the issues of claim construction. However, a few words may be helpful in explaining why defendant has no due process claim.

Defendant asserts that it was taken by surprise and prejudiced when the jury was instructed that the "spring assembly formed on said carriage assembly" element of claim 8 reads literally on the spring assembly in defendant's accused device. Defendant had a full opportunity to be heard on this issue when it briefed its motion for summary judgment. Once I had concluded that the element read directly on this element of defendant's device, that became the law of the case, no longer subject to jury determination.

D. Unavailability of Doctrine of Equivalents to Plaintiffs

Having failed to show that the jury lacked sufficient evidence to support its finding of infringement by the doctrine of equivalents, defendant argues that the doctrine of equivalents was not available to plaintiffs for one of three reasons: 1) the "All Elements" rule; 2) the dedication rule; and 3) prior art estoppel. The all elements rule derives from *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 117 S. Ct. 1040, 1049 (1997). It requires that equivalency be shown to be more than simply the overall equivalency of a device or process; rather, each and every element of a patent claim must be present in the accused device, either literally or through an equivalent element. Plaintiffs showed through Professor DeVries's testimony that defendant's device biased (influenced directionally) portions of the carriage assembly. From this, he concluded that defendant's device had an element equivalent to the "spring biasing" element in plaintiffs' patent. Using the claim chart, he showed that every element of

defendant's product had an equivalent element in plaintiffs' patent. His testimony gave the jury a sufficient basis upon which to find infringement.

Defendant never raised the "dedication rule" until after trial. That is too late. *See Sokol Crystal Products, Inc. v. DSC Communications Corp.*, 15 F.3d 1427, 1434 (7th Cir. 1994) (post-trial motions are not the time "to raise arguments which could, or should, have been made before judgment issued").

Defendant continues to argue that plaintiffs had the burden of showing that a hypothetical claim broad enough to literally cover defendant's product would not ensnare the entire universe of relevant prior art. In *National Presto Industries, Inc. v. West Bend Co.*, 76 F.3d 1185, 1192 (Fed. Cir. 1996), the Federal Circuit rejected the idea that the court must create a hypothetical claim and determine its hypothetical patentability before the jury can find the facts of equivalency. Instead, the court held, it is the patent challenger's task to come forward with evidence to show that the accused device is in the prior art. Until the challenger does this, the patent holder has no burden to prove the contrary. Defendant never made the showing that would have made it necessary for plaintiffs to prove that its patent claims, as interpreted under the doctrine of equivalents, do not ensnare any prior art.

E. Inequitable Conduct

Defendant continues to contest the decision denying its claim that plaintiffs engaged in inequitable conduct

before the Patent and Trademark Office. Having discussed this matter in an opinion and order entered June 3, 1998, I see no reason to say more, other than to repeat the opinion I expressed at the time of the hearing that the claim was a waste of the court's and the parties' time.

F. Defendant's Defense of Invalidity

Defendant contends that it was forced at the last minute to abandon its defense of the invalidity of plaintiffs' patent. This contention does not stand up under scrutiny. Defendant disavowed any challenge to validity in its opening statement; it is not being entirely candid when it asserts that it was improperly forced to abandon this defense during the re-direct examination of its expert witness. Defendant had an extra three weeks in which to develop its thesis that the Taiwanese patent was a piece of prior art that made plaintiffs' patent invalid. It was unable to do so and as a result was stuck with the inconvenient fact that it had no real case on invalidity. Presumably it was the recognition of this fact that caused it to abandon its validity defense in its opening statement.

G. Sufficiency of Evidence to Support Damages Award

Defendant contends that the record contains no evidence to support a conclusion by the jury that "but for" the sales of defendant's product, plaintiff would have made equivalent sales. It is true, as defendant points out that the trial evidence showed that defendant made 90% of its sales to the superstore, Staples, and that Staples

chose to purchase from defendant exclusively because defendant had a full line of trimmer products, which plaintiffs did not have. From this, defendant argues that had it not been supplying Staples, the superstore would have purchased from another manufacturer who had a full line of trimmer products. Moreover, defendant argues, there is no substantial evidence to show that any demand for the rotary trimmer product was actually a demand for the patented features and no evidence that the product plaintiffs are selling is within the scope of the patented invention.

Taking the last argument first, plaintiffs called witnesses at trial who testified that the '001 patent covers the elements of plaintiffs' commercial rotary trimmer. Although none of them described the product element by element, their testimony was sufficient to show that the product embodies the claim elements. Even if it did not, the point is largely irrelevant. The question is whether defendant's product took sales away from plaintiffs. Plaintiffs can make this showing if they can establish " 'a reasonable probability that [the patent holder] would have made the asserted profits absent infringement.' " *King Instruments Corp. v. Perego*, 65 F.3d 941, 952 (Fed. Cir. 1995), *quoted in Minco, Inc. v. Combustion Engineering, Inc.*, 95 F.3d 1109, 1118 (Fed. Cir. 1996).

Although defendant argues that plaintiffs never showed that the demand for the product stemmed from its patentable features, defendant never raised this argument at trial. Even now, it does not specify what would influence a consumer to buy one of plaintiffs' trimmers, other than the patented features, such as the biasing function that lifts the carriage assembly to an inoperative

position or allows the user to compress the carriage assembly in order to cut. Plaintiffs showed there was considerable interest in the market for the product. Plaintiffs have sold over 400,000 units generating almost $10 million worth of business.

There is little to defendant's argument that plaintiffs would not have made any sales to Staples even if defendant had not been selling its infringing product. What defendant overlooks is that however much Staples might have wanted to buy all its trimmer products from one supplier, defendant, it could not have done so if defendant had not been offering an infringing rotary trimmer. Defendant says that Staples could have gone to another supplier but defendant offered no evidence that any other supplier had a similar rotary trimmer as attractive to consumers. Indeed in its own July 1995 business plan, defendant noted that plaintiffs' rotary trimmer was the only one then available in retail channels. Evidence at trial showed that Ingento made a trimmer product, but it was "a different trimmer altogether," Tr. 5-A-55, and cost more than $100, *id.*, whereas plaintiffs' and defendant's competing products sold for under $30. The jury was entitled to conclude that the Ingento product was not an acceptable non-infringing substitute.

Defendant argues that it was prejudiced by the court's refusal to strike all of plaintiffs' damages case as a sanction for not disclosing evidence of plaintiffs' sales of the rotary trimmer to superstores. The fact is that when defendant raised this point, I suggested not letting plaintiffs testify about these sales. Defendant refused the suggestion, for the good reason that omission of the sales

would make plaintiffs' lost sales appear to be more significant than they were in fact. Plaintiffs had to explain their oversight to the jury, which took the sales into account in calculating the damages. Defendant was not prejudiced by this omission. In fact, the record shows that it knew of the sales throughout the discovery period.

Although defendant maintains that the jury had insufficient evidence to support its awards of past and future price erosion, the record shows the opposite. Plaintiffs put in extensive evidence that it had to reduce its price to meet defendant's lower one; that it had good reason to anticipate that sales would rise 10% a year for the following five years; and that plaintiffs would be unable to institute any significant price increases in that period of time, given the power of the superstores to hold down such increases.

In summary, I am persuaded that the jury's verdict is supported by substantial evidence, that the rulings made prior to trial were correct and that defendant has not shown its entitlement to vacation of the judgment under Rule 59, a new trial under the same rule or to judgment as a matter of law under Rule 50.

III. PLAINTIFFS' MOTION FOR AN AWARD OF ATTORNEY FEES AND COSTS

Acknowledging that attorney fees are awarded in patent cases only in exceptional cases, 35 U.S.C. § 285, plaintiffs argue that this is such a case because defendant litigated it vexatiously and without justification and that they are entitled to an award of fees and costs. Alternatively, they argue their right to a fee award under 28

U.S.C. § 1927, which authorizes awards of fees against counsel who multiply the proceedings in a case vexatiously and unreasonably.

Plaintiffs marshal a number of examples of defendant's failures to make timely and full discovery disclosures, its change of direction during the pretrial stages and its raising of new issues at the last minute. Although plaintiffs characterize these as unusual in their scope and character, it is hard to accept that characterization. The defense of this case was not exemplary, but with one exception it was not so egregiously obstreperous as to qualify as an exceptional case under § 285 or as one deserving of a fee award under § 1927. The exception is defendant's pursuit of its claim of inequitable conduct before the Patent and Trademark Office. Trial of this claim revealed its skeletal quality. As I noted earlier, it was so lacking in substance as to constitute a waste of the time and resources of all the participants. Plaintiffs are entitled to an award of attorney fees under § 1927. The litigation of the inequitable conduct claim vexatiously and unreasonably multiplied the proceedings in this case.

IV. PREJUDGMENT INTEREST

Defendant does not object to plaintiffs' request for an award of prejudgment interest, calculated at the treasury bill rate, compounded annually as set forth in 28 U.S.C. § 1961. Such interest is necessary to make plaintiffs whole for the loss of use of their money between the time of infringement and the date of judgment. The parties agree that the amount of prejudgment interest to which plaintiffs are entitled is $84,657.00.

ORDER

IT IS ORDERED that

1. Defendant Hunt Manufacturing Co.'s motion for judgment as a matter of law pursuant to Fed. R. Civ. P. 50 is DENIED;

2. Defendant's motion pursuant to Fed. R. Civ. P. 59 to vacate the judgment in favor of plaintiffs Fiskars, Inc. and Fiskars Oy AB or, alternatively, to order a new trial, is DENIED;

3. Plaintiffs' motion for an award of attorney fees and costs under 35 U.S.C. § 285 is DENIED in all respects; plaintiffs' motion for an award of attorney fees and costs under 28 U.S.C. § 1927 is GRANTED with respect to the fees and costs incurred in the defense of defendant's counterclaim for inequitable conduct before the Patent and Trademark Office; in all other respects, it is DENIED; and. [sic]

4. No later than August 19, 1998, plaintiffs are to submit an itemized statement of the fees and costs incurred in the defense of the inequitable conduct counterclaim; defendant may have until September 2, 1998, in which to file and serve objections to the itemization; plaintiffs may have until September 10, 1998, in which to reply to the objections; and

5. Plaintiffs are awarded prejudgment interest in the amount of $84,657.00 (from the date of the first infringing sale (August 1, 1996) to the date of the entry of judgment, calculated at the United States Treasury Bill rate, as set forth in 28 U.S.C. § 1961).

Entered this 4th day of August, 1998.

BY THE COURT:

/s/ Barbara B. Crabb
BARBARA B. CRABB
District Judge

IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

FISKARS, INC.	:	
and	:	
FISKARS OY AB	:	Nos. 98-1560 98-1566
Plaintiffs/Appellees	:	
v.	:	
HUNT MANUFACTURING CO.	:	
Defendant/Appellant	:	
and	:	
JOSEPH F. POSILLICO	:	
Sanctioned Party-Appellant	:	

MOTION TO RECALL AND STAY MANDATE

On October 10, 2000, the Court denied the Appellant Hunt Manufacturing Co.'s Combined Petition for Rehearing and for Rehearing En Banc. As set forth in the attached Declaration of Mark D. Simpson, the Order denying the Petitions was received in the office of the undersigned on Friday, October 13, 2000. The Order indicated that the mandate would issue on Tuesday, October 17, 2000. Unsuccessful attempts were made to contact the Clerk's office on Monday, October 16, 2000, to determine the exact timing for filing a Motion to Stay the Mandate, since the Appellate Rules are ambiguous regarding this issue. In response to a 9:00 A.M. telephone call to the Clerk's office on Tuesday, October 17, 2000, Mr. Simpson

was advised that the mandate had already been issued, thus necessitating the need to move for a recall of the mandate in addition to moving for a stay.

The Defendant/Appellant Hunt Manufacturing Company ("Hunt") hereby requests the recall of the mandate and the issuance of a Stay of the Mandate in the present action. The Appellee has indicated to counsel for the Appellant that it will oppose this Motion.

There are two bases for this Motion:

(1) Appellants intend to file a Petition for Certiorari to the United States Supreme Court within 90 days from the denial of the rehearing petitions, i.e., on or before January 8, 2001 and thus are requesting the Stay pursuant to F.R.A.P. 41 and 28 U.S.C. § 2101(f);

(2) A Stay is also requested pending resolution of *Festo Corp. v. Shoketsu Kinzoku Cogyo Kabushiki Co.*, Fed. Cir. 95-1066, which was argued *en banc* before the U.S. Court of Appeals for the Federal Circuit on March 29, 2000.

This requested action is necessary under the circumstances of this case and is not presented for the purpose of delay.

Regarding Basis (1) above, a substantial question will be presented in the certiorari petition (conflict between decisions in the Federal Circuit regarding prosecution history estoppel and conflict with Supreme Court precedent regarding prosecution history estoppel). Further, good cause exists for granting of the Stay based on Basis (1): if the mandate is not stayed, the judgment of the District Court will be executable and the Appellant will

be forced to satisfy the District Court judgment; if the writ of certiorari is granted and Appellant succeeds in its appeal, the Supreme Court will be required to issue a remedial order directing that the judgment amount be repaid to Appellant.

Regarding Basis (2) above, an *en banc* determination by the Federal Circuit is binding on the various panels of the Federal Circuit and can overrule otherwise binding Federal Circuit precedent. *In re Kemps*, 97 F.3d 1427, 1431, *In re Lueders*, 111 F.3d 1569, 1574-75, *see* Fed.Cir. R. 35(a). At least two of the five questions being addressed in the *en banc Festo* proceeding have a direct impact on the outcome of the present proceeding, and the finality of the decision in the present appeal should only be effected after consideration of the decision in *Festo*. Specifically, questions 2 and 4 being considered *en banc* in the *Festo* case directly impact the present decision, as summarized below.

Festo Question 2

The second question being considered by the Federal Circuit *en banc* in *Festo* is as follows:

> "Under *Warner-Jenkinson*, should a 'voluntary' claim amendment – one *not* required by the examiner or made in response to a rejection by an examiner for a stated reason – create prosecution history estoppel?"

The District Court in the present action, while not able to figure out why the amendments *were* made, found that the claim amendments were *not* made in response to

a rejection by an examiner for a stated reason. This finding was affirmed by the Federal Circuit Panel ("The district court found that the amendment substituting 'carriage assembly' for 'cutting blade' was not directed to distinguishing the claims from the cited references, and thus that the amendment was not made for reasons of patentability. . . . We discern no reversible error in the district court's conclusion." *Fiskars, Inc. and Fiskars Oy AB v. Hunt Manufacturing Co.*, 221 F.3rd 1318, 1322 (Fed.Cir. 2000)). While Appellant vigorously disputes this finding and asserts that the amendments were *clearly* made in response to a prior art rejection, if the District Court's action, now affirmed by the Federal Circuit panel ("Panel"), is correct, then the amendments made in the present action must have been "voluntary" as contemplated by Question 2 yet to be answered in *Festo*. Thus, since the question of whether or not such amendments create an estoppel in the first place is being decided by the Federal Circuit *en banc* in *Festo*, the decision in *Festo* will directly affect the decision in the present appeal and be binding on the Panel.

Festo Question 4

The fourth question being determined by the *en banc* Federal Circuit in *Festo* is as follows:

> "When 'no explanation [for a claim amendment] is established,' *Warner-Jenkinson*, 520 U.S. at 33, thus invoking the presumption of prosecution history estoppel under *Warner-Jenkinson*, what range of equivalents, if any is available under the doctrine of equivalents for the claim amendments so amended?"

In the present action, the District Court specifically found that the record contained no explanation for the claim amendments, and that the Patentee could not explain why the amendments were made ("Plaintiffs find themselves . . . unable to come up with evidence explaining why they amended claim 1 by substituting 'carriage assembly' for 'cutting blade.' " *See* Appellate Appendix Page A34). In other words, as contemplated by Festo Question 4, no explanation for the claim amendments has been established. Since *Warner-Jenkinson* requires in such circumstances a presumption of prosecution history estoppel, the determination of the range of equivalents of the present claims is entirely relevant and the direction of the Federal Circuit in the *en banc Festo* decision will directly impact the present appeal.

For the above reasons, Appellant Hunt Manufacturing Co. requests that the mandate be recalled and stayed for the longer of (1) 90 days from the denial of the rehearing petitions (i.e., up to and including January 8, 2001) or (2) seven (7) days following the rendering of the decision in the *en banc* rehearing of the *Festo* case.

Certificate of Service by Facsimile Transmission

A copy of this motion has been served upon the Clerk and upon all parties by facsimile transmission and an original and 3 copies have been mailed via Express Mail to the Clerk and a single copy has been mailed to all parties via Express Mail.

Respectfully submitted,

SYNNESTVEDT & LECHNER

By: /s/ Mark D. Simpson
Joseph F. Posillico
Mark D. Simpson
Gary A. Hecht
Counsel for Defendant-Appellant
Hunt Manufacturing Co.

NOTE: Pursuant to Fed. Cir. R 47.6, this order is not citable as precedent. It is a public order.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

FISKARS, Inc. and FISKARS OY AB Plaintiffs-Cross Appellants, v. HUNT MANUFACTURING CO., Defendant-Appellant, And JOSEPH F. POSILLICO, Sanctioned Party-Appellant.	)	No. 98-1560,-1571

ORDER

Defendant-Appellant Hunt Manufacturing Co. has filed a Motion to Recall and Stay Mandate. This motion is hereby DENIED.

DATE: OCT 31 2000

/s/ Jan Horbaly Lp
Circuit ~~Judge~~ Clerk